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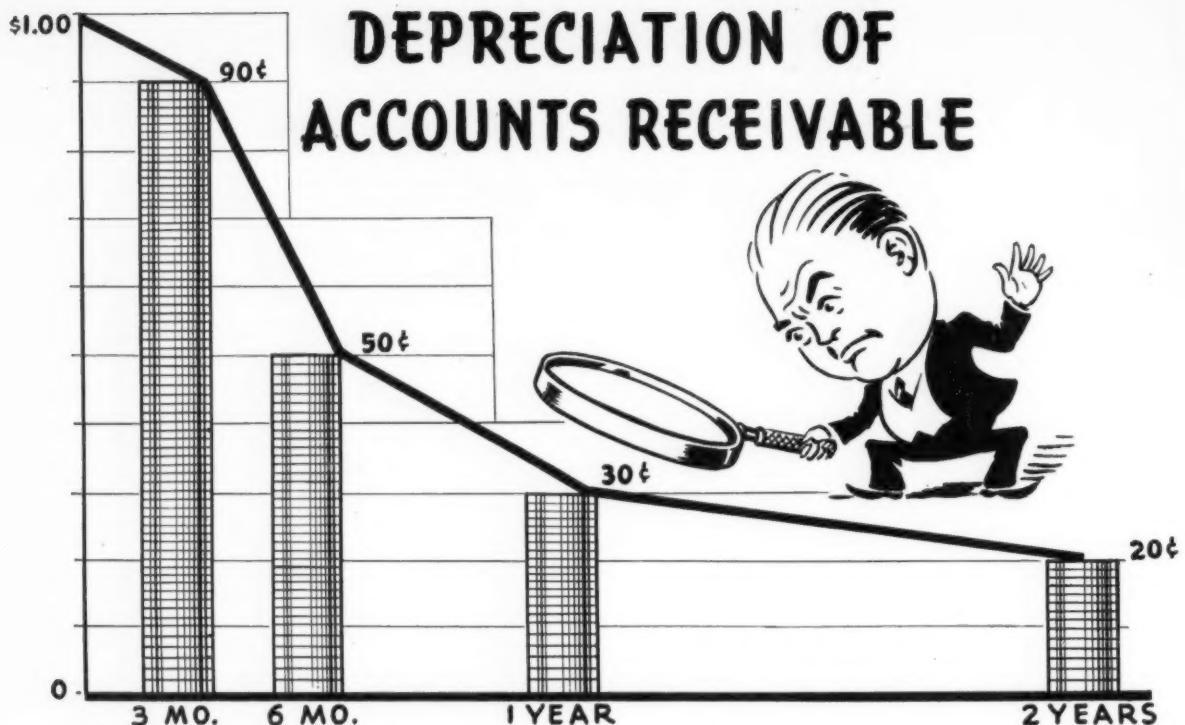
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# The CREDIT WORLD

L. S. CROWDER  
EDITOR

ARTHUR H. HERT  
ASSOCIATE EDITOR

VOL. 32



NO. 7

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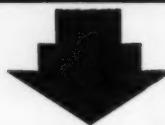
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The article REGULATION W IN PERPETUITY by Louis Breuner in the February CREDIT WORLD opened up a debate on the most controversial subject in retail credit business today. Mr. Breuner's article is answered here in the negative by another executive also associated with instalment selling. The author is Richard Oblender, President, Oblender's, Home Furnishers, Lancaster, Pennsylvania.—THE EDITOR.



Richard Oblender

## REGULATION W Unnecessary

IN THE FEBRUARY CREDIT WORLD, I read a most interesting article written by Louis J. Breuner, who is both a much admired executive and successful West Coast furniture dealer. I would probably consider it an honor if I were able to see eye to eye with him on any issue and particularly on the question of Regulation W, but, if I may take the liberty of expressing some of my views, I wish to disagree with Mr. Breuner on what appears to me to be the gist of the entire article. I am also a furniture retailer and when he addresses the "ethical and better dealers" of the country I willingly assume that he includes me in this category.

I am not a large dealer, but happen to be the head of a concern begun by my father nearly fifty years ago. In our community our reputation is one for thoroughly ethical practices insofar as business fundamentals are concerned, and I believe this entitles me, if I may, to make a reply to Mr. Breuner's article.

First, may I say that I do not believe in Regulation W, or in any other successor to it which tells the public of the United States how and when they may make a contract with another member of the American public and which, in my opinion, is a distinct form of class legislation. It distinctly permits the man with money in his pocket to buy whatever he desires, but, in spite of the actual need and regardless of excellent credit record they may have created over many years, the person without money cannot buy actual needs.

Mr. Breuner apparently seeks to achieve a result, and Regulation W in its present form seems the most logical tool to help him. At the beginning he states that he seeks consumer's use of credit to a "reasonable" extent. Who is to decide what "reasonable" means? Should not the individuals concerned make this decision? Through most of his article, I am afraid he seeks not so much to save the public as to save a type of retailing unmolested by competition.

A humble retailer, I cannot presume to save the people of Lancaster from themselves, as Mr. Breuner suggests the ethical merchant and the Federal Reserve System should do in California. I do not know how much the people of Lancaster should have, how comfortable their homes should become, before society should cry "halt." But even if society should decide upon such a

measurement, I do not think retailing should do much talking about saving the consumer from himself.

Perhaps Mr. Breuner would save the consumer from the unethical retailers who by inference he singles out when he addresses his article to "ethical merchants." I suppose there are many unethical merchants, although I think we may regard any shabby store or a small side street shop as an unethical one; any shop whose selling or credit policy is not the same as ours. I should rather not get mixed up in determining just what merchants are really serving their customers best on a person-to-person basis. Strangely, in the public records there are really very few known unethical stores and as to types, I know of no unethical type.

Of course I have my ideas; but in final analysis most of what we retailers term unethical is more truly difficult competition than it is bad for the public. Selling on no-down-payment and over long periods may be difficult competition, and I personally neither like it nor approve of it, but it isn't fair to say that any appreciable portion of the American public has been damaged by easy terms. The principal headache lies in the competitive situation which no-down-payments and long-terms advertised have created in the past. This headache can be eliminated by the continuation of Regulation W; not Regulation W as it might be amended, just Regulation W as it is today, projected into the future unchanged.

The competition of certain banks, emphasized in some geographical areas more than others, and California is a case in point, does not constitute poor ethics, and as far as I know the discount and rediscount of low-down-payment, long-term paper by the banks has not hurt the people of the country. Actually these facilities have put into thousands of American homes conveniences and contrivances which otherwise many people never would have enjoyed. The unfortunate aspect of it has been that small merchants have often been able to finance larger business volume on small capital than some of their larger merchant friends think they should.

I am a middle-size merchant and I have wrestled with and worried about fly-by-night competition as much as many of my larger brethren, but I still realize that this country has not yet determined for itself whether it is to be a nation of large stores or a nation of small

stores. Actually it has not been determined whether it is to be a nation which supports private retailing or to the contrary, consumer cooperatives, glorified credit unions, Government-owned distribution or any other presently known system for getting huge quantities of produce into the hands of ultimate users.

No one hates, more than I, to see the Government get into competition with private business either directly or through the insurance of instalment loans or the purchase of consumer paper. It is only fair, however, to correct the impression that Mr. Breuner gives when he says that this entrance of the Government into the long term instalment credit field resulted in "the huge" losses that the Government had to pay which, Mr. Breuner said, "are the best proof of where we are heading." The fact is that the Electric Home and Farm Authority is considered by many of us retailers as one of the culprits in lowering down payment averages and stretching out time payments. On the Government side it is said that the EH&FA was merely "offering financing terms adjusted to the customer's circumstances."

#### **Contracts Resulting in Repossessions**

Here is what happened. Over a three-year period 7.5 per cent of the individual accounts were behind in their payments. Ultimately at the end of June, 1938, in the midst of an abrupt setback or a minor depression, 6.6 per cent of the 16,007 contracts which had been purchased by the EH&FA in the period from January to June, 1937, had resulted in repossession. This percentage is rather indicative of the experience of the Agency throughout. Obviously the repossession did not result in total loss by any means, and actually this particular branch of EH&FA shows a net profit for the duration of its existence. Remember this percentage—6.6 per cent—is a percentage of the total number of contracts, whereas furniture stores when speaking of losses from repossession quoting figures of 1½ to 2 per cent, for instance, are talking about the final net loss in dollars as compared to their current year's total net sales.

Correct the furniture stores' figures by eliminating cash and charge account sales in the first place and then by taking account of the down payments plus all money paid on the account prior to repossession, and the figures indicate that the nation-wide experience of the stores shows very little if any less problem of repossession than that experienced by the EH&FA. Then, too, the Government agency's financing was admittedly of a much longer average contract, and the customer purchasers of these goods were, on the average, close to the marginal subsistence level, i. e., they were the people who under normal circumstances would probably not have purchased in the retail stores for lack of credit and cash facilities. At least it was to serve such people that the EH&FA engaged in the business of financing instalment transactions.

It is rather dangerous to use as an argument against easy terms the experience of the United States Government agencies which have engaged in this practice. Strangely enough the figures show that the marginal group of purchasers constituting the outer fringe of the credit buying public has been remarkably substantial in meeting its obligation. If we urge continued credit restrictions in order to blot out this particular segment

of our national markets, we not only will fail to meet a social obligation but will close our eyes on a volume of consumer business which will be needed sorely.

The problem of avoiding depressions is more intricate than Mr. Breuner's argument would indicate. He talks of the accumulated purchasing power resulting from the present operation of Regulation W and says that it will be a buffer against the postwar collapse of business. If he really believes, so he must logically argue, like me, that Regulation W must end with the war's end in order to encourage the people to buy. For if it keeps them from buying now it will do so even more effectively then. But almost simultaneously he says, to the contrary of this thesis, that Regulation W's continuance, post-war, is necessary to curb a gigantic rush of consumer buying at the war's close. If he really believes this second alternative, he must argue for the end of Regulation W today to help stop the accumulation of such an avalanche of buying power, for he credits the regulation with building up this reservoir. Mr. Breuner's dilemma is a considerable one.

The fact is that Regulation W has neither caused the people to save nor brought about to any measurable degree the economic condition which the country faces today and will face at the war's end.

Mr. Breuner will remember that in the depth of the depression of the thirties there was tremendous purchasing power in the hands of the public. No economist has denied it. *It was demonstrated that purchasing power and the will to buy are not synonymous terms.* In the early thirties it was the refusal of purchasing power to exert itself in the markets that kept the country on its vicious downward economic spiral.

In the early years of the depression instalment receivables steadily and almost completely paid out. This indicated that a great majority of Americans was still earning money, and that the failure of the public to purchase was not caused as much by lack of income as by refusal to spend until the way ahead seemed more clear. I am not unmindful that this in turn caused unemployment and reduced purchasing power, but there is sufficient evidence here to support the contention that when this war ends we may not witness a deluge of clamoring would-be-purchasers, but on the contrary may have to use every ounce of our ingenuity to persuade the public to buy enough to keep our mills going. This was demonstrated to me very recently in our own area. Because of cancellation of a few war contracts which became public knowledge, local business temporarily dropped off considerably for no other reason than psychologically the public was seeking a more clear future.

#### **Home of the Future**

For that and other reasons might it not be that instead of tremendous inflation we might require all the facilities of consumer credit, good salesmanship, etc., to move the increased production that our factories are going to have? I believe this will be necessary in order that the more than ten million servicemen and women may be sure of employment. The much talked of American home of the future, the standard of living of tomorrow will fade into thin air unless merchants unleash the full appetite of the consuming public once

the mills reconvert. It will be retailing's obligation to the nation to find ways and means of moving more merchandise than ever before, rather than to seek permanent curbs on the public's freedom of action in the market place with their resultant diminished volume of business.

Mr. Breuner says that Regulation W, "stopped the amassing of money in the hands of the few at the expense of the many by prohibiting people from mortgaging themselves far into the future." He says that this in turn has created a backlog of purchasing power and has helped finance the war by the purchase of war bonds by individuals. This is difficult logic to follow. Into what few hands would this money have gone if there had been no Regulation W? To what extent did Regulation W pour money into Government Bonds? Let us not confuse as the result of Regulation W, the tremendous surge of Government spending, war contracts, high wages and other resultant piling up of the power to buy bonds.

Regulation W has, however, switched consumer purchasing from the higher cost goods, incidentally often the more lasting type, to cheaper and more quickly consumed articles. When a man buys ten shirts or four suits or a quantity of costume jewelry or spends fifty to one hundred dollars in a night club instead of purchasing lasting articles that will give satisfaction through years of use, has the country benefited? Has the individual benefited? Has he any more money to buy war bonds or to put in the bank? It makes no difference whether the cause of this shift of purchasing has been Regulation W, or scarcities. Obviously it has been both, but the average man's purchases have been shifted out of the durable into the less durable assortments. When the war ends and durable goods are again more available, Regulation W will continue to cause this shift and the furniture industry will start to cry to high heaven for help.

### Habits of Average American

Mr. Breuner says that the average American has been taught by the merchants to believe that he can buy as many things as he wants with little or no cash. He looks to Regulation W to stamp this out. The average American, in my opinion, has never thought any such thing!

The sales books of the nation's stores prior to the war will prove this conclusively. We are prone to confuse the few customers who for reasons best known to themselves "take us up" on the no-down-payment bait, with the great multitude of American consumers who have never done this and would never wish to.

In times of peace the continuation of Regulation W would admittedly give bureaucratic control at Washington the power and facility to regulate the volume of credit business we may do. Mr. Breuner urges that such volume be kept within "reasonable" limits. In the latter theory I agree with him; but I should rather not agree at this time, or at any time, to allow him to set my volume for me in Lancaster. I smile to think of his permitting me to do so for him in California. Yet I am an American, a merchant.

Perhaps my ideas as to his "allowable" volume would be just as logical as those of the Federal Reserve System. Likewise I am unwilling to have Federal Reserve officials,

much as I respect their judgment, assume a position that cannot only bankrupt me but cripple credit stores generally in my entire trading area. Mr. Breuner apparently will gladly abide by Washington decisions with respect to his business in the San Francisco area. Only a man with visions of doing a large percentage of cash business postwar would voluntarily give such authority to a federal agency. This I presume is Mr. Breuner's confident position. Or it couldn't be, could it, that Mr. Breuner sees his own volume holding up under a permanent federal regulation while that of his competitors goes down? Mathematically that is the way things work out if total volume is checked at an artificial point.

### Government in Private Business

It was not the competition of certain banks in California which forced no-down-payments upon the retailers of that state or in my state, or in any other state. *Back in the thirties it was the nationally advertised and much exploited policy of the Federal Government in direct competition with private business in the electrical appliance and other fields, that broke the dyke.* In the rural areas it was the Tugwellian "25 to 45 years to pay including house, furniture and half of the mule and plow" that sent the orthodox selling practices of retailers into a tailspin.

The so-called ethical merchants, as Mr. Breuner puts it, like him and me, had better get our heads together and see to it that merchandising in America is left to men in the cities and towns and hamlets of the country, and that Washington keeps completely out of this picture except for the usual and acceptable matter of fair representation and fair practices ruled by the Federal Trade Commission and Department of Justice. I need Mr. Breuner's help to keep Washington from competing directly with me in Lancaster, and from what I read about the future of California I have an idea he will be calling for help out there.

We had better let the American people alone; keep our hands off their buying rights. I can imagine thousands of workers in the San Francisco area saying uncomplimentary things about Mr. Breuner if they know that he undertakes not only to judge how much down payment they must forever make or how short their contracts must be, but asks Washington to put his thoughts into law. Undoubtedly, Mr. Breuner, like me, has seen customers turn away from his stores because they did not get their terms. Perhaps as they went they said that they could buy on their own terms somewhere else. Nevertheless, like mine, I think Mr. Breuner's business has been relatively profitable. Does he want the Federal Regulation to wipe out such a picture as this? Does he want to turn the tables and grin at his departing would-be customer thinking, "You wouldn't buy it here but by the great Golden Gate you cannot get the terms you need anywhere else either"? This is what Mr. Breuner's article says but probably he will be astonished to realize it.

Mr. Breuner says he is a strong believer in private business and freedom from Government regulation, yet in advocating a regulation of the people of the United States which would eliminate a fundamental "freedom"

(Turn to "Regulation W," page 26.)

# Credit

## In the Age of Electronics

Syd J. Hughes

Vice-President, The Morris Plan Industrial Bank of New York

Excerpts from an address given before a joint wartime conference of Districts 2 and 12 of the National Retail Credit Association and the Columbia Regional Conference of the Associated Credit Bureaus of America, Hotel New Yorker, February 14, 1944.

**I**F 1946 IS TO BE the first year of milk and honey, let's take a look at its prospects as projected on the lantern slides. The first item is the probability that the national income, which means production income, earnings and salaries, will be the greatest in any single year of our history. Item two. There will be nineteen million unemployed people. They will have to be supported by dole or made-work. Item three. Any new ambitious national security program of work, health and death, must be partially underwritten by us as employers. This underwriting, by its very nature, can only expand in the face of political opportunism by any and all parties. Starting off again with 1946, the year when we resume four-day weekends, three-hour lunch periods and golf at 3:15 P.M. every afternoon, we can measure something of our prospects by looking at the year of 1940.

Turning out more peacetime goods and services in 1940 than in any previous year, we had the largest twelve months of solid prosperity we had ever known, before or after taxes. The national income was approaching the \$80 billion dollar mark. Yet we had nine million employable unemployed.

In addition to these nine million unemployed, there were millions more classified as employed who were eking out only a bare existence on sub-marginal farms or other equally unproductive jobs. They were *not* consumers in any important sense and certainly not acceptable credit risks.

Fewer people, working *shorter* hours, produced substantially more goods and services in 1940 than in 1929.

Improved laborsaving devices and techniques made this paradox possible. And this is no crack-brained technologist talking. It's the staid old Department of Commerce still redolent of the benign Hoover influence.

Meanwhile the population increases year after year, adding new employables to the market. But the war effort by the end of 1943 had absorbed all but a few hundred thousand of our employables, although the banner peacetime year of 1940 had not produced a volume of business anywhere near equal to our capacity to produce and our desire to consume. Remember, there were nine million unemployed in 1940.

Now, allowing for the continued growth of technological unemployment which, incidentally, has been enormously accelerated by the war emergency, for the increase in employable population, and even assuming

that all the women in industry go back to their sinks and the armed services are restored to their civilian jobs.

Allowing further for a national productive year not only as great as 1940 but FIFTY PER CENT GREATER, we *still* will have the nine million unemployed of 1940 plus the other groups just mentioned, or a total of nineteen million unemployed. This is what the graphs say and is condensing a vast amount of analytical research into a few words. Summed up it means just this. We will have a tax rate as high as the present if for no other reason than to meet and retire the obligations of the national war debt. Additional national revenue will be necessary to provide for the predicted nineteen million unemployed.

Billions more are involved in the program of national work, health and death benefits. And all this predicated on a national prosperity fifty per cent (or more) greater than the best peacetime year of our economic history, 1940. If it is fifty per cent less, we can all go jump into a hole and pull the hole in after us.

This line of thought could go on interminably—the problems of conversion, of re-employing war workers in peace work, the absorbing of wartime aircraft and shipyard workers, the release of eleven million men from the armed services. It has only been touched upon here, but sufficiently to point up some of the realities, some of the reservations with which some of us approach the coming "years of plenty."

Perhaps things can be planned in such a way as to bypass these obstacles. Each of you will have to approach such a likelihood with whatever degree of confidence you can generate within yourselves in view of the present facts as we know them. In such planning, insofar as it applies to those who would plan for us, we come to Regulation W.

### Personalized Comments

Some of the things this paper will comment upon from this point on may seem unnecessarily personalized, they may even bear directly or indirectly upon some of you attending these conferences, and if so, you may feel cause for resentment. Some of you may feel that I am imposing upon your hospitality in what may appear to be a discourteous and unwarranted attack by one type of business upon another type of business.

Therefore, let me assure you, above all else, and I cannot emphasize the point too emphatically—disabuse your minds entirely of the notion that I am taking this opportunity to sell any particular line of groceries.

What contrasts between our type of merchandise and the other fellow's may be drawn here, will be developed only in support of one dominant and all-encompassing objective. The warning of what happens when we per-

mit somebody else to do the planning we should do for ourselves—the penalty you will pay as businessmen for the lassitude which permits that planning, or even worse, the encouragement you may give to such planners with thoughtless and short-range support of their long-range programs.

There are two kinds of planners that bear the need of eternal vigilance—the theorist and the schemer. When you get them both rolled into one, you have as formidable a foe as you would want to encounter in a lifetime of assorted encounters.

When Regulation W was originally announced by the Federal Reserve Board, and its presumable motives had been itemized by the President of the United States as one of the seven major courses for winning the war, many bankers and businessmen accepted the Regulation for what it seemed to be. It was not seriously challenged on either practical or legal grounds because no banker or businessman in his right mind would publicly challenge the smallest dot or semicolon in the government's blueprint for Victory.

But let's examine the history of Regulation W for a moment—let's take its conception, its birth and its sturdy growth upon our system of government and economy—and let's do so purely as an object lesson—and then let's decide if we want Regulation W perpetuated, and more important, do we want to foster and nourish the principles of regulation by decree which brought Regulation W into being.

Speaking solely for myself, and, as they say on the radio, what I say does not constitute an endorsement by my employer, my associates or my hosts here this morning—I do not think that Regulation W bears the slightest importance to the war effort—NOW or EVER—neither at its beginning nor at any point during its existence up to this time. And Regulation W will be of *less* importance, if that is possible, with the termination of hostilities.

The thinking behind Regulation W did *not* originate with the Federal Reserve Board. I doubt very much if regulation of consumer credit would ever have been given a moment's serious thought by the Board of Governors of the Federal Reserve System if its conception had been dependent upon the initiative of the Board itself.

#### **Federal Control of Consumer Credit**

Long before Pearl Harbor, long before we were confronted by the actualities of total war, somebody began to think about Federal control of consumer credit. Perhaps it is pure coincidence that these thinkers were the same thinkers who had been doing such thinking as part of their professional livelihood for many, many years.

They had been paid salaries and bonuses and fees and expenses for doing their thinking, not as our elected representatives of government, not as impartial public authorities on the subject, not as independently established research experts, but as a strictly commercial form of making a living just as material, just as practical, just as profit-minded as any businessman or salaried man in this room.

Mr. Leon Henderson, with an academic background, became an official of the Russell Sage Foundation many years ago. The Russell Sage Foundation describes itself as a philanthropic institution. For many years it has aggressively supported so-called model small loan legis-

lation. The Foundation likewise had, and still has, ideas about model laws for stores and dealers who sell their merchandise on credit terms.

The ideas of the Foundation on these subjects are model in every respect—that is, model for the particular type of loan or credit the Foundation favors, at the expense of vigorous and persistent attacks on all other forms of loans and credit.

Now, to the casual, unsophisticated, unphilanthropic citizen it would seem that a philanthropist devoting his life to the common good, would, on the subject of loans and credits, give his material and spiritual support to that type of loan or credit which worked the least hardship on the suffering public.

#### **Russell Sage Foundation**

But when the Russell Sage Foundation first began beating the drums for its idea of model credit laws, there were thousands upon thousands of financial institutions and commercial organizations supplying hundreds of millions of dollars in consumer credits of various kinds at charges ranging from \$6, or \$8, or \$10 per annum per \$100 of loans or merchandise. These are dollars, I'm talking about now—not percentages, or interest, or hypothetical calculations predicated upon turnover, mathematical formulae or other tricky bookkeeping phrases.

Despite this, the Russell Sage Foundation and Mr. Henderson preferred to extend the blessings of their philanthropy by sponsoring a type of loan or credit which charged the public \$19.50 to \$22.50 per annum per \$100 of loans or merchandise.

Several other institutions and so-called research organizations have since appeared on the scene whose mission in life seems to be the establishment of the economic justification for this type of credit, the Russell Sage Foundation has already supplied the moral and philanthropic justification.

Well, Mr. Henderson went to Washington to serve in various capacities. As he finally interested himself in the matter of price control, he decided that he needed the counsel of Dr. Rolf Nugent, who succeeded him at the Russell Sage Foundation, of Arthur Hamm of that same sterling foundation, of Mr. Frank Hubachek of Chicago, whose law firm is general counsel to the Household Finance Corporation, and others whose type of business conformed to the Russell Sage Foundation ideas of model loans and model credits. So he brought them all to Washington.

If memory serves me right, the idea of regulating consumer credit first appeared as a rider on Mr. Henderson's original price control bill. At that time some of us were advised that loans and credits had a price—therefore they should be controlled along with eggs and waffle irons. Furthermore, it was argued by some that loans and credits under \$300, as advocated by the model laws of the Russell Sage Foundation, should not come under such control because they were only for remedial purposes—because they were not inflationary—because—well just because.

The Price Control Bill, as passed, after due and proper committee hearings, did *not* carry the consumer credit control rider. Meanwhile some of us who had a mild interest in loans and credits, and who were to be

(Turn to "Electronics," page 18.)

# What - Is the Most Important Credit Problem for 1944?

## Opinions of Store Executives

During the present emergency with credits being restricted under Regulation W, the credit granter is hard put in extending credits to individuals whose incomes are inflated under war conditions, or who may yet be subject to call into the armed forces, or whose place of employment may be changed due to the demands of war industry. Under these circumstances, the extension of credit would preferably turn to the selling of short term contracts with large down payments and rigid collection follow-up. The postwar credit problem should be faced now. Presumably the conversion from war economy to a peace economy will result in a temporary slump, the length of which can be determined only by specific economic factors prevailing in one community as distinguished from another. The credit granter whose business in the prewar period was built on charge business will do well to prepare to solicit and rebuild the charge business in the postwar period. As and when Regulation W is abolished, it will be vitally important to liberalize the extension of credit on instalment sales.—James E. Deutsch, Controller, Frederick Loeser & Co. Inc., Brooklyn, N. Y.

\* \* \*

The most important credit problem for 1944 is the retention of Regulation W in substantially the same form as is now effective. I know this is contrary to a resolution passed by the N. R. C. A. in St. Louis, last June; however, I cannot help but feel that this resolution does not represent the membership as a whole, because from all inquiries that I have made, I have found no criticism of Regulation W with the exception of a few minor details.—Chas. E. Evans, Assistant Secretary-Treasurer, The Aug. W. Smith Co., Spartanburg, S. C.

\* \* \*

The most important credit problem for 1944 is the new type credit customer, making money freely, who has never had credit before and unfortunately may not appreciate the importance of credit. This customer is spending money freely, using cash and credit extensively, and one day will suddenly find himself in debt without money to pay his bills. I am opposed to any form of Government regulation in normal times, but I must confess that Regulation W has been helpful in the emergency.—W. A. Green, Jr., President, W. A. Green Co., Dallas, Texas.

\* \* \*

As one of the problems confronting the nation at present is inflation, there is a possibility that government regulations will favor credit granting on the present basis or with moderate variations, thus creating in itself, an adjustment suitable to the times and demands. Such regulations have been both desirable and beneficial to the trade generally and to the consumer. Victory year, 1944, will require alertness on the part of all business management as we are advised that "the end may come abruptly and it will be wise to have our house in order."—Walter M. Jaccard, Chairman of the Board, Jaccard Jewelry Corp., Kansas City, Mo.

\* \* \*

War workers are going to be on the move again. Some of them will be temporarily unemployed. It's going to be a problem to keep track of these people. Complete credit information will be a help. Private initiative should be encouraged in extending credit. We insist that the Government must keep out of our business.—Harold E. Scherer, Business Manager, The Monroe Clinic, Monroe, Wis.

The most important function in granting credit, at this time, is the limitation of purchases to out-of-town war workers. The Federal Reserve Board should continue their regulations for six months after Armistice and from that point all control and regulations in connection with granting of credit should be dispensed with.—J. R. Walker, Lane Bryant, Baltimore, Md.

\* \* \*

Regulation W has put our accounts receivable in the best condition that they have ever been in during the sixty-five years we have been in business. We are very much in favor of continuation of the regulation to some extent on open charge accounts as it has in no way retarded our credit sales.—C. C. Varnedoe, C. C. Varnedoe and Co., Valdosta, Ga.

\* \* \*

A most important credit problem confronting us in 1944 is symbolized by what changes, if any, are made in Regulation W. Obviously, much of the need for the more stringent provisions of that regulation has passed, but if this fact is not recognized by the Federal Reserve Board it may well appear that another type of regulation is permanently placed on business calling for ever increasing rigidity without recognition that changing business conditions should be reflected in the regulations. Although we do not advocate abolishing the Regulation at this time we will be concerned over its future advisability if the Federal Reserve Board does not regard it as a flexible instrument of consumer credit control.—Joe G. Sullivan, Vice-President, Morris Plan Bank of Knoxville, Knoxville, Tenn.

\* \* \*

I hope that retail credit will not be regulated by the Federal Reserve Board after the war. On the whole, its workings have been beneficial to stores. Most of us, however, pay lip service at least to the free enterprise system, and I don't see how we can consistently do so and, at the same time, show that we can't regulate our own businesses. I hope that merchants will, however, regulate themselves, and that they will adopt reasonable community credit policies and eliminate competition in the granting of terms and down payments.—Frank M. Mayfield, President, Scruggs-Vandervoort-Barney, Inc., St. Louis, Mo.

\* \* \*

Our welfare will be better protected by the continuation of the restrictions on the granting of credit imposed by Regulation W for the year 1944, with perhaps some minor adjustments in such regulations as would ease the burden of compliance on the part of the granters of credit. These regulations should continue until we have production of civilian goods approximating the demand, with modification of the instalment terms when the so-called "hard goods" are again available.—George E. Merrifield, Vice-President and Treasurer, The Higbee Co., Cleveland, Ohio.

## Opinions of Credit Executives

Our most important function for 1944 is the securing of more complete credit reports on new accounts before opening them, and after the information is compiled to be a little more critical where there appears to be a semblance of derogatory information, or lack of family background. I believe Regulation W is doing a great job and many of its qualities should be retained, such as 20 per cent down on most regulated items and 33½ per cent down on others. Soft goods should never exceed six months in terms, and general furniture not more than twelve months.—Ralph Glover, Credit Manager, H. L. Stiff Furniture Co., Salem, Ore.

The most important problem for 1944 is to give thought and formulate plans for the postwar period. Regulation W has had its good points but should be abolished after the duration, for merchants should be permitted to express their own independent judgment in extending credit. Some concrete effort should be made by the merchants and credit executives for a nationwide credit policy that will keep out that bugaboo "competition in terms."—Z. M. Hawk, Manager, New Accounts and Club Plan Purchases, Sanger Bros., Dallas, Texas.

\* \* \*

The most important problem for 1944 is the collection of accounts of men with families who will be inducted into service under the father's classification. I favor the continuation of Regulation W by the Federal Reserve Board in some modified or more liberal form.—C. L. Laine, Credit Manager, Kahn & Levy, Galveston, Texas.

\* \* \*

The most important problem confronting us is the elimination of Regulation W. In order to achieve this, it is very important that we produce a sound, workable plan covering the extension of credit during postwar years. Credit executives and merchants in every community in our nation should make every effort to get together for a better understanding of ethical credit granting. In the event all of us working together can produce something constructive which will be acceptable, we may see the elimination of Regulation W and a return of free enterprise to the American businessman after the war is over.—S. R. Naille, Credit Manager, Borden's, Springfield, Ohio.

\* \* \*

We have one serious problem in the shifting of population from one place to another, which makes it more important than ever that we keep our local credit bureaus informed of new names on our accounts receivable ledgers. A poll of our local merchants shows a substantial majority of them in favor of continuation of Regulation W after the war.—Lenville Parker, Credit Manager, George Muse Clo. Co., Atlanta, Ga.

\* \* \*

We believe that the biggest credit problem facing us in 1944 is the sudden end of the war which would throw many people out of war plants who, it would seem to us, have built up a good credit record. By suddenly cutting off their earning power would bring on a catastrophe so far as being able to maintain their former credit status. It is quite obvious that many of these people are now earning several times more than they were in prewar days, and many of them are buying things they have long wanted. We believe that credit restrictions should be retained by the Government through a postwar period, somewhat similar to the regulations now in effect, or possibly with some changes that may be necessary at a later date.—R. E. Peterson, Credit Manager, J. B. Hudson Co., Minneapolis, Minn.

\* \* \*

Credit control must be applied efficiently during 1944, as some grantors have found that the customer is pyramiding his account in a much shorter time than for several years. In other words, he is taking 70 days' time under Regulation W and pyramiding his account which he is unable to handle on the following second tenth of the month. It is, therefore, necessary for control to be handled faster than in previous years. I do not think credit control by the Federal Reserve Board would be necessary if the credit man and his institution work together with other institutions and credit men in the same community. They can observe the same rules and terms without the federal government exercising their rights.—C. R. Stowell, Credit Manager, T. S. Martin Co., Sioux City, Ia.

\* \* \*

You asked the question, "Should credit after Victory be regulated by the Federal Reserve Board as at present?" My answer is "definitely no" as I think each merchant should be allowed to adjust his credit plan to fit his own business. As to the question, "Do you favor more liberal instalment terms in the postwar period?" my answer is "no," because I think a greater number of the general public should have more assets in the form of money or bonds than ever was known, and that private business should continue to advocate buying for cash or on short terms.—P. G. Wright, Credit Manager, W. L. Hailey & Co., Nashville, Tenn.

\* \* \*

The extension of credit to those persons who have left their homes and migrated to our war plant areas seems to make up the majority of our problems here in California, and undoubt-

edly throughout the nation. Despite an income, which is in most cases far greater than most have ever dreamed, there are still a great many who now, more than ever, have the ability to pay but lack the willingness to do so. There are certain groups who have spent and are spending far more than they have coming in, and consequently have gone heavily in debt. The Federal Reserve Board should control the extension of credit the same as it has in the past, not only until we have won the peace, but for two or three years thereafter.—R. F. Palmer, Credit Sales Manager, L. Hart and Son Co., Inc., San Jose, Calif.

\* \* \*

The general feeling in this locality is that Federal Regulations covering instalment selling have proved a very distinct asset to the merchants. As to liberal instalment terms in the postwar period, I believe we should go very slow before getting away from our present regulation requirements.—W. E. Sheehan, Credit Manager, Springfield Gas Light Co., Springfield, Mass.

\* \* \*

Postwar credit planning, as a part of postwar planning in general, is the most important credit problem confronting the credit grantor in 1944. Credit, after the war has ended, should not be regulated by the Federal Reserve Board, or any other board. Business must be returned to private enterprise after the war, if our traditional freedom of individual liberty is to be maintained. I do not think more liberal terms on installations in the postwar period are necessary.—John F. Thompson, Divisional Credit Manager, Sears, Roebuck and Co., Dallas, Texas.

\* \* \*

The biggest problem that confronts credit men for the coming year is the problem of opening new accounts with war workers. Most of these people I would term as "floaters," and, no doubt, as soon as the war is over, they will go back to their home towns. No credit man wants to refuse to cooperate with war workers, as they are doing their part in the war effort. On the other hand, we must feel that there is reasonable assurance that they will meet any obligation that they make. There is one important link that will help this situation and that is for all credit executives to see that inquiries from the Credit Bureau are answered within 24 hours and that the Credit Bureau should follow up the credit men and try to enforce prompt replies.—Joel J. Pincus, Credit Manager, The Outlet Company, Providence, R. I.

\* \* \*

One of the most important problems confronting the credit grantor in 1944 is his accounts receivable. When the war ends it most likely will be very sudden, and if we have outstanding accounts with people now drawing large salaries who will drop to small salaries, we must be ready and have our accounts under control. The credit grantor should be in a position to handle his credits as he did prior to Regulation W. Let's be big enough to control our own credits and if necessary educate the store owners so they compete in selling merchandise and not terms. If there ever was a time to adopt the Community Credit Policy, now would be the time to start.—Harry O. Wrenn, Credit Manager, Nebraska Clo. Co., Omaha, Neb.

\* \* \*

One of the most important credit problems confronting the credit grantor for 1944 will be the proper controlling and limiting of accounts of itinerant workers engaged in war work and Government agencies. For, when Victory is gained the various plants and offices will close and the workers will scatter to all corners of the United States, and those who have been lenient in the extension of credit to these workers will find themselves in a rather precarious position. Plans should be made for the postwar period and the formulation of a sound credit policy in order that we may all profit by the paying habits formed by the application of Regulation W.—F. K. Welch, Manager, Department of Regular Charge Account Purchases, Sanger Bros., Dallas, Texas.

## New Manual on SKIP TRACING

Every credit department employee and merchant should be familiar with skip tracing procedure. This course now in the second edition, teaches you how. Get your copy now.

Merchants Credit & Collection Bureau • 18100 Ventura Blvd., Encino, Calif.

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# Credit Department Letters

NOT LONG AGO, a Vice-President of General Motors Corporation said: "The art of public relations is the art of multiplication; that is, it is the art of multiplying endlessly the *good* impressions of a company."

How truly such a statement applies to business letters! There is no other single factor in business that can so multiply the *good* impressions of a company as letters, good will building letters. Many firms send out hundreds of letters daily. If they are well written and carry the right appeal, they are bound to create good impressions and thus help to build good will for those firms. To be effective, however, such letters must have the right approach, must carry the right tone, and they must in every way make the customer feel "at home" with the store.

In these war times, when lack of merchandise makes it hard to satisfy many customers, a real program of better letters will be an effective aid in combating any ill will created by lack of merchandise which customers desire to buy but which stores cannot obtain. Good letters thus have a direct bearing upon the good impressions that can be created in the everyday dealings of a firm with its customers.

## This Month's Illustrations →

The Business Promotion letter in *Illustration No. 1*, used by Mr. Lenville Parker, Credit Manager of the George Muse Clothing Company of Atlanta, Georgia, is a timely letter. Although business is good at present and new business need not be solicited, yet this letter illustrates the value of having a definite program of sales promotion. The more a company keeps its name before the public in good times, the more likely it is to get business when business becomes hard to get. The letter is friendly and cooperative, and it helps to build good will by its cordial tone in extending a welcome in the last sentence.

*Illustration No. 2* used by Godchaux's of New Orleans is another excellent type of business promotion letter. Notice how the opening paragraphs flatter the reader and at the same time bring him and the store together by the reference to "fine clothing" that goes with "good books, good music, good food." Moreover, the reader is made to feel at home in Godchaux's because other distinguished Southerners are already customers of the store. And to lend dignity and propriety to the occasion, the letter is signed by the President himself, Leon Godchaux, Jr.

Mr. J. J. Valentine of J. Goldsmith & Sons Company at Memphis, Tennessee, uses the letter reproduced in *Illustration No. 3* to build good will in the customer's mind. The latter has just started to do business with the company and he is in a receptive mood for the cordial "thank you" letter that he receives. It makes him feel that he is dealing with the kind of store that appreciates his business; and consequently he is more likely to accept the invitation given him in the last paragraph to use the entire facilities of the store.

*Illustration No. 4* is a printed card notice pen-signed by Mr. G. C. Lawrence, Credit Manager of Coulter Dry Goods Company of Los Angeles. He says, "This is our No. 1 collection letter, and it is sent with statements at the end of the month. We have had many favorable comments on this letter, and several other business houses have asked the privilege of using it." A quick reading of the card tells us why. It is friendly and concise, and it carries a real tone of appreciation in its two clear-cut and well-chosen sentences. Sent with the monthly statement, it becomes that extra good will builder that customers like to receive. Truly, through this little notice, Mr. Lawrence is helping to multiply the *good* impressions of his company.

*Illustration No. 5* used by The Higbee Company of Cleveland, Ohio, and signed by George E. Merrifield, Vice-President and Treasurer of the company, is another excellent example of a good will building business promotion letter. As a follow-up to the letter written to Mrs. Woodson, this letter to Mr. Woodson first shows appreciation for the charge account already opened and then invites his attention to the convenience and ease with which he can make use of the various departments devoted exclusively to men's furnishings. If Mr. Woodson doesn't have time to go personally to the store, he is told in the "clinching" paragraph that "trained shoppers" will be glad to give his orders personal attention.

All in all, this month's illustrations serve to remind us that a program of business promotion letters can be successfully used in times like these so that business can be kept flowing continuously toward those firms that continue to "play up," through positive letters, *good* impressions of themselves.

## ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ If You Have a Good Letter—Send It In!

*This department is constantly searching for good letters—letters that have proved their worth by actual results. If you have such a letter, send it in—with a statement of how it was used and the results obtained. There is only one requirement to make this page—a good letter!*



## GEORGE MUSE CLOTHING CO.

ESTABLISHED 1919  
THE STYLE CENTER OF THE SOUTH

ATLANTA, GA.

(1)

March 28, 1944

Mr. A. W. Goodman  
17 Park Lane N. E.  
Atlanta, Georgia

Dear Mr. Goodman:

It has come to our attention that we do not have a charge account in your name.

We realize, of course, that you may have been buying from us as a cash customer. Yet a charge account is such a convenience at times, that we have opened one for you with the hope that you will use it often.

Please feel that our store is your store. You'll find a cordial welcome here!

Sincerely yours,

*Louise Parker*  
Louise Parker  
Credit Manager

LP:JM

This little reminder is sent to you as a message of appreciation for your business and with the confident expectation that you will respond in the same friendly spirit.

We assure you of our recognition of your courtesies and favors in the past.

Respectfully,

*G. S. Lassman*  
G. S. Lassman  
Credit Manager

COULTER DRY GOODS COMPANY  
Los Angeles

(4)

**Godchaux's**

APPAREL FOR MEN WOMEN AND CHILDREN

NEW ORLEANS

(2)

April 3, 1944

Miss Janet Jones  
125 East River Street  
New Orleans, Louisiana

Dear Miss Jones:

You are a fortunate person, indeed!

Because, mindful of the traditions of the old South, you have undoubtedly come to enjoy all of the good things of life. Good books, good music, good food and fine clothing are as much a part of your design for living as the newspaper or the radio are a part of modern civilization.

Because you are aware of a realization of beautiful things we want you to come to GODCHAUX'S. We know that here you will be completely at home; you will be perfectly confident of the correctness of the costume you select, for the GODCHAUX forte consists of finding the perfect answer for each individual clothing problem.

And so we feel very happy to tell you we are opening a charge account in your name. We are honored indeed to add your name to the already lengthy list of distinguished Southerners who are our customers.

When you are next making a purchase at GODCHAUX'S will you say "Charge it!"? We will be happy to do so.

Cordially,  
*Leon Godchaux Jr.*  
Leon Godchaux, Jr.  
President



J. GOLDSMITH & SONS COMPANY  
MAIN, FIFTH AND GARDEN AVENUES  
MEMPHIS, TENNESSEE

April 8, 1944

Mr. Albert Edwards  
2187 Main Street  
Memphis, Tennessee

Dear Mr. Edwards:

Thank you very much for your recent purchase of merchandise on our Contract Plan. We appreciate both the courtesy and your confidence in our merchandise.

Our aim is to merit your entire satisfaction, and you may rest assured that we shall do everything in our power to do so.

We consider it both a privilege and pleasure to be of service to you and welcome the opportunity at all times of placing our entire facilities at your command.

Yours very truly  
J. GOLDSMITH & SONS COMPANY

*J. J. Valentine*

(3)

THE HIGBEE COMPANY  
PUBLIC SQUARE  
CLEVELAND, OHIO

April 8, 1944

(5)

Mr. Stephen J. Woodson  
Hudson Smith Apartments  
Cleveland, Ohio

Dear Mr. Woodson:

We have today written to Mrs. Woodson that we are pleased that she has opened a charge account with us. We hope that this may also provide us the opportunity to serve you.

May we particularly call your attention to our Men's Departments. These departments are comprehensive in their scope and are conveniently located just inside the Prospect Avenue entrance, where men's clothing, furnishings, hats and shoes . . . in fact everything that a man wears . . . awaits your selection.

Carefully trained shoppers will give personal attention to mail and telephone orders whenever you may find it convenient to use their service.

It is our purpose to serve you well at all times.

Very truly yours,  
THE HIGBEE COMPANY

*George E. Knapp*  
George E. Knapp  
Vice President and Treasurer

GEM:VB

# Journeyings of the General Manager

THE FIRST STOP on my Eastern trip was Cleveland. The Cleveland Association is older than the National, and is one of our most active and cooperative units.

Part of the morning of Wednesday, February 2, was spent looking over convention facilities of the Hotel Statler. It is anticipated that our 1945 convention will be held in Cleveland.

Later in the morning I called on Past President Giles C. Driver of The May Company, and W. H. Gray, President-Secretary of the Retail Merchants Board, Cleveland Chamber of Commerce, and Secretary of the Cleveland Retail Credit Men's Company.

That noon I attended a luncheon meeting of the Board of Directors of the Cleveland Retail Credit Men's Company.

Part of the afternoon was spent with Mr. Roger R. Clouse, Secretary of the Federal Reserve Bank of Cleveland, discussing Regulation W and postwar credit problems.

## Annual Dinner at Cleveland

That night it was my pleasure to attend the 46th Anniversary dinner of the Cleveland Association. More than 550 were present. The annual meeting is a "get-together" and very little business is conducted. Following the report of the president, F. W. Walter, there was an excellent floor show. Greetings and an invitation to attend the 31st Annual Conference and Credit Sales Forum at Milwaukee in May, were extended by me.

The following noon I addressed the regular weekly luncheon of the Association.

On Thursday, calls were made on Geo. E. Merrifield, Vice-President, Higbee Company; Clyde C. Kortz, Credit Manager of that company, who is Vice-President of District 5, N.R.C.A.; F. W. Walter, The Bailey Company, Chairman of our Educational Committee; Foster R. Close of Wm. Taylor Son & Company; Wm. Hoffman of The Stearn Co.; Wallis Slater of Sterling & Welch Co.; former National Director J. G. Ost of Cowell & Hubbard Co.; C. G. Evans of Halle Brothers; and National Director T. W. Walters, Morris Plan Bank of Cleveland.

Friday and Saturday were spent in Pittsburgh, the home of our second largest National unit. A meeting of key credit managers was held on Friday noon. At this meeting postwar plans and problems were discussed. Matters to be presented to the Honorable Ronald Ransom, Vice Chairman, or Dr. Carl E. Parry, in Charge of Consumer Credit Regulation, Board of Governors of the Federal Reserve System, were considered.

Calls were made on President Joseph A. White and Past President Franklin Blackstone of Frank & Seder. Also on R. M. Overall, Treasurer and Controller of Gimbel Brothers; H. E. Wilson, Credit Manager of that company; B. J. Lindberg, Credit Manager of Spear & Co.; C. G. Kaessner of Kaufmann's; A. S. Kerby of Hardy and Hayes Co.; Howard W. Leonard of Joseph Horne Company; C. W. Orwig, Executive Vice-President, Commonwealth Trust Company; and T. L. Ford, Manager, The Credit Bureau.

Was joined in Washington on Monday morning, the 7th, by President White. Calls were made on Assistant Attorney

General Tom C. Clark and Dr. Carl E. Parry of the Federal Reserve Board. We spent an hour and a half discussing various phases of Regulation W with Dr. Parry and his associates, Messrs. Brown and Smith.

Tuesday afternoon we attended a meeting of the Washington Postwar Planning Committee in the offices of the Credit Bureau.

Tuesday evening we were guests at the 25th annual meeting of the Retail Credit Association of Baltimore. There were approximately 250 present. In addition to the reports of the officers and election of officers, brief remarks were made by President White and myself.

The following day calls were made on a number of the credit leaders, including Past President James R. Hewitt, who asked to be remembered to his friends around the country, and on Frederick P. Bonan, a former associate of mine at Mandel Brothers. Mr. Bonan went to Hutzler Brothers twenty-three years ago as Credit Manager and later became Controller. (Shortly after my return to the office I learned of his sudden passing from a heart attack, at his home on the evening of February 17. He had spent the day in the office and was apparently in good health.)

We also called on L. W. Hilbert, Stewart & Co. Inc., Chairman of the National Postwar Planning Committee; J. F. Eichelberger, The Hub, Chairman of the Baltimore Postwar Planning Committee; and J. W. Mehling, Secretary of the Baltimore Committee and General Manager of the Retail Merchants Credit Bureau. A meeting of the committee was held in the offices of the Credit Bureau on Wednesday afternoon.

Thursday and Friday, Mr. White and I spent in Philadelphia. There has been a marked improvement in that city in connection with credit reporting, since the organization of the Credit Bureau of Greater Philadelphia about two and one-half years ago. The bureau is managed by Charles W. Sheldon, who is doing an excellent job for the credit grantors of Philadelphia. There is closer cooperation between the credit executives of the city, and the credit fraternity of Philadelphia will give a good account of itself in the years to come.

## Luncheon at Philadelphia

It was our pleasure to attend an enthusiastic luncheon of the key credit managers on Thursday and that night we were present at the second annual meeting of the Credit Bureau. There were in the neighborhood of 300 present.

Saturday, the 12th, through Tuesday, the 15th, we were in New York. On Saturday, President White and I called on A. B. Buckeridge, Executive Manager of the Credit Bureau of Greater New York, National Director R. M. Severa of R. H. Macy & Co. Inc., and Beardsley Rum, Treasurer of that company, to whom an invitation had been extended to address the Convention at Milwaukee. He promised to be present, if he can arrange to be in the Middle West at the time of our meeting.

Calls were also made on Past President LeRoy Pease of Ovington's; L. H. Jacobs, Credit Manager of that company and President of the Associated Retail Credit Men of New

York City; Walter Strickland, Secretary-Treasurer of Best & Co., and formerly Credit Manager of that company; Walter E. Baab of Stern Brothers; and George Miller of Arnold Constable & Co. Calls were limited because of inclement weather.

The New York Association, by the way, is our largest National Unit, and has been for the past twelve years.

Monday and Tuesday were busy days at the joint conference of Districts 2 and 12 of N.R.C.A. and the Columbia Regional Conference of the Associated Credit Bureaus of America. Registrations were approximately 350. The program was highly interesting and constructive; the group meetings were well attended and judging from the discussions all present were well repaid for their attendance.

February 16 and 17 were spent in Washington, a Legislative Committee meeting having been held on Wednesday, the 16th. Chairman Erwin Kant, Past President of N.R.C.A., presided. There were present: Abe Coonin of Wm. Hahn & Co., C. M. Keefer, of S. Kann Sons Co., Frank P. Scott of Woodward & Lothrop, and R. Preston Shealey, all of Washington; B. J. Lindberg, Spear & Company, Pittsburgh; President White and myself. A member of the committee, Roscoe W. Reichard of Hecht & Company, and John K. Althaus, manager of the Credit Bureau, were not present, as they had not returned from New York.

#### Legislative Committee Meeting

W. J. Cheyney, Executive Director of the Retail Credit Institute, appeared before the Committee and discussed the recent recommendation of the Institute to the Federal Reserve Board. It concerned the exemption from war restrictions on personal credit of any person discharged from active service of the United States on or after December 7, 1941, as the term "active service of the United States" is defined under the Soldiers' and Sailors' Civil Relief Act of 1942 as amended.

A luncheon at the Statler Hotel was attended by Messrs. White, Kant, Cheyney, Coonin, Keefer, Lindberg, Scott, Shealey, Lieutenant Commander Charles J. Benson, formerly Assistant Manager of the Retailers Credit Association of San Francisco and Secretary of our National Unit there, Major Russell H. Fish, formerly Credit Manager of The May Company, Denver, and myself.

Major Fish is located at the War College, Washington, and the address of Lieutenant Commander Benson is 4501 Nebraska, N.W., Washington. I know they will be delighted to hear from their many friends.

Vice Chairman L. W. Hilbert of Baltimore could not attend the Legislative Committee meeting because of a severe cold.

Recommendations of the Committee concerning Regulation W were presented to Governor Ransom, Vice Chairman, Board of Governors of the Federal Reserve System, on Thursday morning. Messrs. White, Kant and I spent a very pleasant hour with Governor Ransom, who promised to give careful consideration to the recommendations.

In the afternoon Messrs. White, Shealey and I called on Honorable Estes Kefauver, Representative in Congress from Tennessee, and thanked him for the fine work he has done in connection with the garnishment bill.

Returned to the office the morning of February 19 and left for the Conference of District 6 at Omaha the evening of February 20. That Conference and visits to Sioux City and Des Moines will be covered in the May CREDIT WORLD.

## Join the "25,000 Club"

THE "25,000 CLUB" is an organization designed to keep the membership of the National Retail Credit Association up to par. To become a member it is necessary to personally secure three new memberships in the N.R.C.A. To continue as a member it is required that one new member be secured each year. This entitles you to a sterling silver and enamored membership lapel button or pin. Qualify now by sending in the names of three applicants. You will then be a booster of the National and help to keep it growing from year to year.

NATIONAL RETAIL CREDIT ASSOCIATION  
Shell Building St. Louis

## TESTED CREDIT AIDS

### ALL AMERICAN INSERTS

- 1a. *Unforgiving Minutes*
- 1b. *Let's All Do Our Part*  
Prompt payment stimulators with an "all out for Victory" theme.

### REGULATION W INSERTS

- 2a. *What the Government Charge Account Regulation Means to You*
- 2b. *Your Charge Account*  
Send No. 2a to all your charge customers; No. 2b to overdue accounts.

### CONSERVATION INSERT

- 3a. *Are You Doing Your Part?*  
Increases charge sales and reduces returns.

### COLLECTION INSERT

- 4a. *We Have Your Name in This 'Who's Who'*  
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Both for \$1.00
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# Let's Look at Convention Plans



31st

## ANNUAL CONFERENCE AND CREDIT SALES FORUM

Milwaukee, Wis., May 16-18, 1944

## GROUP PROGRAMS

General Group Chairman, Ray C. Cook, Ed. Schuster & Co., Milwaukee

IF YOU HAVE NOT ALREADY DECIDED to be in Milwaukee, May 16-18, the following program of the group conferences should make you decide now that you cannot afford to miss this most important of all credit meetings. Attendance at the particular group meeting in which you are interested will give you intelligent opinions and answers to the problems that you are facing today, as well as those you will face in the future. When you are discussing this Conference with the management of your firm, take along a copy of this CREDIT WORLD. The program shown here will prove that your attendance will not only help you but will also greatly benefit your firm.

### Instalment and Finance

Group Chairman

Oscar Spletter, C. Niss & Sons, Milwaukee.

Tuesday, May 16.

Chairman, A. B. Hunter, Rudolph Wurlitzer Co., Chicago, Ill.

"Relationship of Instalment Selling to the Postwar Planning Picture."—H. G. Davis, Management & Merchandising Counsel, Chicago, Ill.

"Future of Regulations."—John R. Trost, Director of Services, National Retail Furniture Association, Chicago, Ill.

Open Forum

Wednesday, May 17.

Joint meeting with Department Store group.

Thursday, May 18.

Chairman, G. A. Sandberg, Boutell's, Minneapolis, Minn.

"Improving Public Acceptance of Instalment Selling."—Dr. Albert Haring, Professor of Marketing, Indiana University, Bloomington, Ind.

"Liquidating Frozen Accounts of Servicemen."—V. M. Gribble, Pils' Furniture Store, Memphis, Tenn.

Open Forum

### Ice and Fuel

Tuesday, May 16.

Chairman, Richard A. Cochran, Milwaukee Western Fuel Co., Milwaukee.

Co-Chairman, Walter G. Cassmeyer, Merchants Ice & Coal Co., St. Louis, Mo.

"The Effect of Regulation *W* on Industries Which Are Not Under Its Jurisdiction. Should Future Regulations Include All Credit Extension?"—P. H. Williams, Pittsburgh Coal Co., Minneapolis, Minn.

"Is It Satisfactory to Open New Accounts by Telephone or Mail?"—(Speaker to be selected.)

Open Forum

Wednesday, May 17.

"Policies That Will Reduce Losses at the End of This Period."—F. W. Maegli, Felber Fuel Co., Milwaukee.

"Better Trade Practices and Credit Arrangements for the Smaller Communities."—(Speaker to be selected.)

Open Forum

Thursday, May 18.

"Our Future—There Will Be Both Sales and Profits."—(Speaker to be selected.)

"We Must Teach Them to Pay."—(Speaker to be selected.)

Open Forum

### Hospitals and Professional

Group Chairman

Harold Scherer, The Monroe Clinic, Monroe, Wis.

Tuesday, May 16.

Chairman, R. L. Woolsey, Holt-Krock Clinic, Fort Smith, Ark.

Co-Chairman, A. T. Sutherland, Madison General Hospital, Madison, Wis.

"An Educational Program for the Public in the Payment of Medical and Hospital Fees."—J. Willard

Baldwin, Business Manager, Billings Clinic, Billings, Mont.

Open Forum

Wednesday, May 17.

Chairman, V. S. Proctor, Business Manager, Great Falls Clinic, Great Falls, Mont.

Co-Chairman, M. P. Jonsrud, Business Manager, Gunderson Clinic, LaCrosse, Wis.

"How Will the Voluntary Medical Insurance Movement Affect the Future of Medical Credit?"—Dr. Kingsley Roberts, Director of the Medical Administration Service, New York, N. Y.

Open Forum

Thursday, May 18.

Chairman, Leonard Murray, Credit Manager, Duluth Clinic, Duluth, Minn.

Co-Chairman, Archie F. Johnson, Credit Manager, The Jackson Clinic, Madison, Wis.

"Effective Liquidation of Doctors' Accounts Now and in the Future."—D. W. Prohazka, Manager, Sault Credit Bureau, Sault Sainte Marie, Mich.

Open Forum

## Commercial and Industrial Banking

Group Chairman

Carl Flora, First Wisconsin National Bank, Milwaukee

Co-Chairmen

Carlos A. Casler, Progressive Industrial Bank, New Orleans, La.

C. W. Orwig, Commonwealth Trust Co., Pittsburgh, Pa.

Tuesday, May 16.

"Personal Loans and Direct Financing."—G. Schuyler Blue, Secretary, Security Trust Co., Indianapolis, Ind.

Open Forum

Wednesday, May 17.

"Postwar Consumer Credit."—Robert B. Umberger, Executive Vice-President, Industrial National Bank, Chicago, Ill.

Open Forum

Thursday, May 18.

"Promotion and Advertising of Instalment Credit."—Marvin A. Lemkuhl, Account Executive, Scott-Telander Advertising Agency, Milwaukee.

Open Forum

## Public Utilities

Group Chairman

S. A. Bialecki, Milwaukee Gas Light Co., Milwaukee.

Tuesday, May 16.

Chairman, M. L. Hamacher, Michigan Consolidated Gas Co., Detroit, Mich.

Co-Chairman, Harry Hahn, Ohio Fuel & Gas Co., Columbus, Ohio.

"Postwar Planning."—K. W. Haagensen, Manager, Milwaukee Association of Commerce, Postwar Planning Committee, Milwaukee.

Topic for Discussion—Summary of factual data on credits and collections.

Open Forum

Wednesday, May 17.

Chairman, J. Gordon Ross, Rochester Gas & Electric Co., Rochester, N. Y.

Co-Chairman, R. C. Warren, Arkansas Power & Light Co., Pine Bluff, Ark.

"Long Range Planning."—Charles E. Kohlhepp, Vice-President and Comptroller, Wisconsin Public Service, Milwaukee.

Topic for Discussion—New and improved collection systems.

Open Forum

Thursday, May 18.

Chairman, Robert C. Horn, Wisconsin Public Service Corp., Green Bay, Wis.

Co-Chairman, Arthur Kaulfuss, Northern States Power Co., Eau Claire, Wis.

"Wisconsin Day Greetings."—Mr. Bruno Rahn, President Milwaukee Gas Light Co., Milwaukee, Wis.

"Postwar Public Utility Merchandising and Load-Building Program."—

Urban aspect—B. T. Franck, Vice-President, Milwaukee Gas Light Co., Milwaukee.

Rural aspect—Allan C. Davey, General Merchandise Sales Manager, Wisconsin Public Service Corp., Oshkosh, Wis.

Open Forum

## Department Store

Group chairman

A. C. Wehl, Gimbel Brothers, Milwaukee.

Tuesday, May 16.

"Do We Need Government Regulations to Meet Post-war Conditions?"—Myron R. Bone, Executive Secretary, American Industrial Bankers Assn., Fort Wayne, Ind.

"What Promotional Efforts Should Be Made to Maintain and Also Improve Charge Business?"—Dean Ashby, Credit Manager, M. L. Parker Co., Davenport, Ia.

"Postwar Population Trends."—Bernard D. Fuchs, Credit Manager, Block & Kuhl Co., Peoria, Ill.

Open Forum

Wednesday, May 17 (Joint meeting with Instalment and Finance Group)

Chairman, R. M. Severa, Cash Time Manager, R. H. Macy Co., New York, N. Y.

"Postwar Planning."—J. M. Bickel, Chairman, Postwar Planning Group, Carrier Corp., Syracuse, N. Y.

"What Can We Look Forward to in Postwar Instalment Business?"—H. M. Scheck, General Retail Credit Manager, Montgomery Ward, Chicago, Ill.

Open Forum

Thursday, May 18.

"Simplified Billing." (As adopted by St. Louis stores.) —Sig. Wolfert, Secretary and Credit Manager, Stix, Baer & Fuller, St. Louis, Mo.

"Cycle Billing."—David D. Bolen, Credit Manager, Younker Brothers, Des Moines, Ia.

(Turn to "Convention Plans," page 31.)



KENTON R.  
CRAVENS

Vice-President, Mercantile-Commerce Bank & Trust Co., St. Louis . . . Active in credit work all of his business life, he was a consultant to the Federal Reserve Board with respect to selective credit controls and the promulgation of Regulation W.



R. G. TROSPER

Executive Vice-President, Greensboro Merchants Association, Greensboro, N. C. . . President of the Associated Credit Bureaus of America . . . Began bureau work in 1921 in Bluefield, W. Va., and while in that state helped organize the Associated Credit Bureaus of West Virginia.



TOM C. CLARK

Assistant Attorney General, Antitrust & Criminal Divisions, Department of Justice, Washington, D. C. . . A.B. & LL.B., University of Texas . . . Formerly District Attorney, Dallas County, Texas . . . Appointed to staff of the Department in 1937 . . . Has served in the New Orleans and Los Angeles field offices of the Antitrust Division.

## PROGRAM 31ST ANNUAL CONFERENCE NATIONAL RETAIL CREDIT ASSOCIATION, HSCI

General Convention Chairman, Eugene Schust

### Tuesday . . . May 16

9:15—ASSEMBLY—Grand Ballroom (Fifth Floor)  
Hotel Schroeder.

#### COMMUNITY SINGING.

Edwin A. Reddeman, Vice-President, American State Bank, Milwaukee, Song Leader.

9:30—CALL TO ORDER—Joseph A. White, Harris Stores Co., Pittsburgh, Pa.; President, National Retail Credit Association.

INVOCATION—Rev. Andrew Gladstone Finnie, Pastor, Immanuel Presbyterian Church, Milwaukee.

#### IN MEMORIAM.

WELCOME TO MILWAUKEE—Harry J. Bell, Executive Director, Milwaukee Association of Commerce.

RESPONSE FOR THE UNITED STATES—Frank D. Francis, The Emporium, San Francisco, Calif.

RESPONSE FOR CANADA—T. L. Robinette, K.C., The Robert Simpson Company, Ltd., Toronto, Ont., Canada.

A TRIBUTE TO OUR MEMBERS IN THE ARMED SERVICES OF THE UNITED STATES, GREAT BRITAIN AND CANADA—Colonel Franklin Blackstone, Frank & Seder, Pittsburgh, Pa.; Past President, National Retail Credit Association.

10:15—APPOINTMENT OF COMMITTEES.

10:30—*"The Part Business Must Play in the Winning of the Peace."*

H. W. Adkins, Executive Vice-President, Yahr-Lange, Inc., Milwaukee, Wis.; Member of the Committee for Economic Development.

11:00—*"Retail Credit and Legislation."*

Hon. Estes Kefauver, Representative in Congress, Chattanooga, Tenn.

11:30—*"Instalment Sales in the Postwar Period."*

Dr. Albert Haring, Professor of Marketing, Indiana University, Bloomington, Indiana.

12:00—INTRODUCTION OF MILWAUKEE CONVENTION COMMITTEE.

INTRODUCTION OF MEMBERS FROM CANADA.  
CONVENTION PHOTOGRAPH.

12:30—ANNOUNCEMENTS AND ADJOURNMENT.

### Wednesday . . . May 17

9:00—ASSEMBLY—COMMUNITY SINGING.

9:15—RECONVENE.

REPORTS OF OFFICERS.

REPORTS OF COMMITTEES.

9:50—*"Measuring Up to Our Responsibilities."*

Robert G. Trosper, Greensboro Merchants Association, Inc., Greensboro, N. C.; President, Associated Credit Bureaus of America.

GLEN V. BORK

President, Northern States Power Co., Eau Claire, Wis. . . Entered utility business in 1919 and operated systems in Western Wis. . . Appointed Gen. Mgr. of the Wis. area of the Co. in 1928 and President in 1938 . . . Chairman of Comm. for Economic Development for N. W. Wis.



MRS. LAURA GEREN

Boston Store, Fort Smith, Ark. . . President, Credit Women's Breakfast Clubs of North America . . . An assistant in the Credit Department of the Boston Store, she has served as Cashier and Bookkeeper since joining that firm in 1926 . . . Has been active in local and national credit women's affairs.



DR. ALBERT HARING

Professor of Marketing, Indiana University . . . Ph.D. Yale, 1925 . . . Vice-Chairman, Marketing Committee for Committee for Economic Development . . . Past president, American Marketing Association . . . Consultant in credit National Retail Furniture Association.



HON. ESTES KEAFER  
Representative  
Congressional  
State of  
. . . Dem.  
Resident  
Bancroft  
University  
Deceased a  
Yale Uni.  
He is a  
the House  
Business  
and Subcom  
House s  
Committee

CLARK  
Attala, Anti-  
Criminal  
Department  
Justices  
D. C.  
& L.L.B.  
City of  
Formerly  
Attorneys  
County  
County  
A  
staff  
Department  
has served  
New Orleans  
Angeles  
Division.



**DR. M. R.  
NEIFELD**

Economist for the Beneficial Management Corporation, Newark, N.J. . . . Lectured in Finance at the University of Newark . . . His two books on personal finance and one on cooperative consumer credit are standard reference books . . . He has appeared all over the country on University forums on consumer credit.



**W. H. BALDWIN**

Vice-President in Charge of Credits for the U. S. and Canada, General Motors Acceptance Corp., New York, N. Y. . . . B.A. Princeton . . . Served in World War I as Second Lieutenant . . . Joined General Motors in 1919, serving as Credit Manager in various regional offices.



**H. W. ADKINS**

Executive Vice-President, Yahrlange Inc., Milwaukee . . . Formerly Vice-President, Gillette Safety Razor Corp.; Druggists Supply Corp.; and Marquis Regan & Co., Management Consultants, New York . . . Member, Natl. Fed. of Sales Executives and Com. for Economic Development.

# MIGHTS END CREDIT SALES FORUM I, H SCHROEDER, MILWAUKEE, MAY 16-18, 1944

Eugene Schuster & Co., Inc., Milwaukee, Wis.

10:10—"Postwar Employment."

Ray R. Behrens, Credit Manager, Industrial Bank of St. Louis, St. Louis, Mo.

10:30—"Let's Add Venture to Business."

Glen V. Rork, President, Northern States Power Co. (Wisconsin), Eau Claire, Wis.

11:00—"Paytriteers in the War Effort."

Hon. Tom C. Clark, Assistant Attorney General, Washington, D. C.

11:30—"What's Ahead?"

Dr. M. R. Neifeld, Economist, Beneficial Management Corporation, Newark, New Jersey.

12:00—ACTION ON FINAL REPORT OF COMMITTEE ON CONSTITUTION AND BYLAWS.

NOMINATIONS FOR OFFICERS AND DIRECTORS AT LARGE. ELECTION.

REPORT OF RESOLUTIONS COMMITTEE.

12:30—ANNOUNCEMENTS AND ADJOURNMENT.

9:50—"Our Duties, Our Pledge, Our Request!"

Mrs. Laura Geren, The Boston Store, Fort Smith, Ark.; President, Credit Women's Breakfast Clubs of North America.

10:10—"A Service That Pays Dividends."

Talley Kirkland, Atlanta, Ga.; National Chairman, Collection Service Division, Associated Credit Bureaus of America, Inc.

10:30—"Sound Instalment Credit—Today and Tomorrow."

W. H. Baldwin, Vice-President, General Motors Acceptance Corporation, New York, N. Y.

11:00—"Consumer Credit in Our Postwar Economy."

Kenton R. Cravens, Vice-President, Mercantile Commerce Bank and Trust Co., St. Louis, Mo.

11:30—ACTION ON REPORT OF RESOLUTIONS COMMITTEE.

RECOMMENDATIONS FROM GROUP MEETINGS.

WHERE SHALL WE MEET IN 1945?

UNFINISHED BUSINESS.

12:00—INSTALLATION OF NEW OFFICERS.

12:30—ANNOUNCEMENTS AND ADJOURNMENT.

## Thursday . . . May 18

9:00—ASSEMBLY—COMMUNITY SINGING.

9:15—RECONVENE.

9:30—"What's Doing in Washington?"

R. Preston Shealey, Washington Representative, N.R.C.A., Washington, D. C.

**BON. ESTES  
KEFAUVER**

Representative in Congress from the State of Tennessee . . . Democrat . . . Resident of Chattanooga . . . A.B. University of Tennessee and LL.B. Yale University . . . He is a member of the House Small Business Committee and also the Subcommittee on Bankruptcy of the House Judiciary Committee.



**COL. FRANKLIN  
BLACKSTONE**

Credit Manager, Frank & Seder, Pittsburgh . . . President of the Retail Credit Association of Pittsburgh and Past President of the National Retail Credit Association . . . He will present a tribute to our armed forces in the United States, Great Britain and Canada.



**TALLEY KIRK-  
LAND**

National Chairman, Collection Service Division, Associated Credit Bureaus of America . . . Collection specialist, Atlanta, Georgia . . . LL.B. Mercer University, Macon, Ga. . . . He is second Vice-President of the Atlanta Retail Credit Association and has been a member of the C. S. D. Committee since 1934.



## Electronics . . .

(Beginning on page 6)

controlled, hence not to be trusted with any part of the controlling machinery, pursued the quaint line of thought that if banks and businessmen were to be regulated, such regulation at least should be under those agencies of government directly concerned with banks and business, such as the Treasury Department or the Federal Reserve Board.

Right on the surface, the public would certainly be humorously skeptical of a situation whereby banks and businessmen were to be regulated by philanthropists.

When regulation of consumer credit failed of legislative authority—an important factor to remember—the authority for such regulation eventually came down in the form of a presidential directive under the law passed during World War I known as the "Trading With the Enemy Act," a bit of interpretative law that has given hours of pleasant and curious meditation to lawyers and other interested parties. It was a special interpretation applying only to this war, there being no interested philanthropists in the last war.

The principal saving grace of this directive was in the fact that the Federal Reserve Board was to be the administrative agency. An official of the Federal Reserve Board said shortly thereafter: "We know practically nothing about the subject of consumer credit. We have made no studies of it. But Mr. Leon Henderson is lending us some of his experts."

So, Dr. Nugent, late of the Russell Sage Foundation, and others directly or indirectly engaged in sponsoring model small loan legislation, or who were sympathetic thereto, joined the Federal Reserve staff in advisory capacities. It was some time before a consumer credit banker was appointed in the same category. This particular banker, only a few weeks ago, had some very pointedly critical observations which he made in public about so-called model small loan activities around the country.

Now Leon Henderson is gone, Dr. Nugent is no longer on the Federal Reserve scene, neither are the others whose philanthropic interests took them to Washington. But there remains behind them today their monument—a great, nation-wide piece of regulatory machinery employing countless man hours, tons of valuable paper, utilizing the time and money of bankers, businessmen and people in all walks of life—manufacturers, lenders, sellers and buyers—all regulated for what? Ostensibly to keep a special segment of American business from adding to inflationary influences—a segment of business, consumer credit, which at this moment repre-

sents less than 2½% of the national income. That two per cent, or double or triple the figure, cannot conceivably throw any appreciable weight against the other great national forces making for either inflation or deflation.

But that two per cent measured in human values, rather than dollars, measured in terms of the millions of men and women and families to whom unhampered access to personal credit when necessary is of considerable social and economic importance—in that sense, the two per cent looms large.

Well, you might say, it's only a wartime measure. I wonder if you have ever studied the interesting development of governmental functions, county, city, state and federal? I wonder how many agencies, or bureaus, or grants of authority you can recall having been repealed or rescinded after termination of the particular period or attainment of the particular objective for which they were conceived and for which they originally drew their appropriations from the public money chest?

When Regulation W first started, a few officers of the Federal Reserve Bank of New York, and their secretaries, were known as the "Regulation W people." Today you will find in the Federal Reserve Bank of New York a full-blown and well-staffed Consumer Credit Division of the Federal Reserve Bank. Most of the people in that division didn't even know what consumer credit was three years ago. Today you will find a comfortable atmosphere of permanence over the whole operation—just as though Senator Carter Glass had written it into the original Federal Reserve Act back in the last generation.

Many of the people in that division would be amazed if you were to propound the thought that Regulation W is only a temporary expedient. Has it no legislative basis in fact as a normal part of our business life? Well, they say, we'll just have to fix that.

If that sounds naive, it is no more so than some businessmen and a few retail trade associations who have recently gone on record in support of perpetuating Regulation W because it helps them collect their bills at the end of the month. That line of reasoning leads to very logical conclusions. Federalize the Department Stores into The Federal Reserve Department Store System.

Have your Congressmen make all the executive appointments in the management of these Federal stores, put the store employees on a civil service basis, provide the necessary appropriation bills, appoint a Department Store General to sit in the cabinet with the Postmaster General, and you have completed the picture.

Do the same with the banks, the manufacturers who make things to be sold on credit and the stores and dealers who sell on credit.

And what about the Credit Bureaus? We won't need any credit bureaus. We will have the F.B.I. and the Department of Justice, plus the Secret Service, to take care of all of our records and investigations, fingerprinting all charge accounts just as an added touch.

We can use the Army and Navy, who will have a lot of idle time on their hands after the war, to collect the bills and run down the deadbeats.

### National Retail Credit REVIEW

A four-page Review for Executives containing opinions on the credit outlook for 1944

Only limited number on hand

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500 for \$7.50

National Retail Credit Association  
Shell Building St. Louis 3, Mo.

# CREDIT WOMEN'S BREAKFAST CLUBS OF NORTH AMERICA

## Seventh Annual Convention

Hotel Schroeder, Milwaukee, Wisconsin, May 16-18, 1944



MRS. LAURA GEREN  
*President*  
Fort Smith, Ark.



MRS. KITTY LOFTON  
*First Vice-President*  
Atlanta, Ga.



STEPHANIE DOUGHERTY  
*Second Vice-President*  
San Francisco, Calif.



MRS. HELEN LAWSON  
*Treasurer*  
Boston, Mass.

### Program

#### Monday, May 15 . . .

PRE-CONVENTION BOARD MEETING  
(Time to be announced)

7:00 P.M.—INFORMAL GET-TOGETHER.



EULALIA THATCHER  
*Recording Secretary*  
Salt Lake City, Utah

#### Tuesday, May 16 . . .

12:30 P.M.—DROP-IN LUNCHEON.

#### Wednesday, May 17 . . .

7:00 A.M.—ANNUAL BREAKFAST, GUESTS OF  
CREDIT WOMEN'S BREAKFAST  
CLUB OF MILWAUKEE.

7:00 P.M.—ANNUAL BUSINESS MEETING.



MRS. LOUISE B. BLACK  
*Correspondence Secretary*  
Fort Smith, Ark.

#### Thursday, May 18 . . .

9:50 A.M.—“OUR DUTIES, OUR PLEDGE, OUR  
REQUEST,”

Mrs. Laura Geren, The Boston  
Store, Fort Smith, Ark., Presi-  
dent, Credit Women's Breakfast  
Clubs of North America.

POST-CONVENTION BOARD MEETING  
(Time to be announced)



BETTY DAVIS  
*Financial Secretary*  
Rantoul, Ill.



AGNES MOYER  
*Historian*  
Reading, Pa.

# Collection Scoreboard

February, 1944 ★ ★ ★ ★ ★ ★ ★ ★ ★ February, 1943

CITY	DEPARTMENT STORES (Open Accounts)			DEPARTMENT STORES (Installment Accounts)			WOMEN'S SPECIALTY STORES			MEN'S CLOTHING STORES					
	1944			1943			1944			1943			1944		
	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.
Baltimore, Md.	571	661	47.6	59.4	69.1	43.6	32.1	39.6	22.7	32.9	40.3	26.5	54.1	60.1	41.1
Birmingham, Ala.	518	68.0	51.5	61.8	67.6	49.0	31.7	38.7	28.0	26.7	30.0	21.8	45.5	47.0	44.0
Boston, Mass.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cedar Rapids, Ia.	70.2	83.5	65.0	78.2	83.0	71.7	42.7	48.0	37.5	35.6	39.0	32.3	—	—	—
Cincinnati, Ohio	—	—	—	66.1	71.4	62.6	—	—	—	27.7	36.0	21.6	—	—	—
Cleveland, Ohio	63.6	68.8	62.4	61.4	67.9	58.1	39.9	42.4	36.7	34.9	38.1	33.1	56.5	60.0	52.9
Columbus, Ohio	67.0	73.1	64.8	64.9	71.0	58.7	39.2	46.7	32.0	28.1	41.4	28.1	62.7	68.4	56.5
Davenport, Ia.	63.3	67.0	59.6	66.1	68.2	64.0	27.9	34.3	20.6	27.4	29.3	25.6	—	—	—
Denver, Colo.	64.0	67.8	59.3	61.4	67.9	55.9	27.2	31.0	26.1	26.1	33.0	23.6	59.3	65.0	53.9
Des Moines, Ia.	—	65.5	—	66.5	—	—	—	—	—	—	—	—	51.7	75.0	51.0
Grand Rapids, Mich.	64.9	67.0	63.2	61.0	64.1	59.0	34.5	34.6	34.4	28.4	30.8	26.1	48.4	52.4	42.8
Kansas City, Mo.	—	—	—	68.9	74.2	63.7	—	20.4	—	34.8	—	—	75.8	81.3	70.4
Los Angeles, Calif.	74.4	81.5	73.0	71.5	76.0	70.9	31.1	35.6	23.2	25.6	32.0	17.4	66.0	71.4	61.1
Louisville, Ky.	61.6	61.7	61.5	62.5	63.9	61.1	27.1	37.3	19.0	26.2	30.6	19.7	56.6	62.1	52.7
Lynn, Mass.	66.5	74.0	59.1	64.1	75.0	52.2	—	54.0	—	49.3	54.0	44.9	—	—	—
Milwaukee, Wis.	64.0	67.6	62.4	63.6	71.0	60.7	36.7	40.6	31.7	33.2	34.4	29.3	44.7	61.3	28.1
Minneapolis, Minn.	79.7	81.9	78.3	79.1	80.5	78.2	40.7	45.2	37.0	36.4	39.7	31.9	78.2	78.4	78.0
New York, N. Y.	57.3	63.5	43.5	57.7	62.8	47.7	26.3	49.4	20.2	23.4	41.1	17.2	51.4	54.0	41.7
Oakland, Calif.	71.9	72.1	67.9	69.2	73.5	64.9	38.8	43.4	29.9	34.3	48.9	21.6	55.6	61.1	50.1
Pittsburgh, Pa.*	—	—	—	59.4	65.7	49.9	—	—	—	25.7	33.0	15.6	—	57.8	65.7
Providence, R. I.	54.2	64.0	47.1	56.0	64.0	46.5	—	—	—	—	—	—	—	—	—
St. Louis, Mo.	70.7	75.5	67.8	71.0	76.9	66.6	37.6	44.6	32.0	33.5	34.8	27.0	62.3	70.1	55.3
St. Paul, Minn.	66.5	78.8	51.8	70.2	80.0	69.0	38.1	65.2	25.4	41.8	76.6	27.0	54.7	61.9	45.0
Salt Lake City, Utah	78.4	81.7	73.6	77.3	80.3	73.5	37.6	56.0	27.8	35.2	42.3	30.9	—	—	—
San Antonio, Texas	61.7	71.2	51.9	60.0	65.4	55.2	—	32.6	—	16.5	18.9	16.0	49.0	51.0	41.0
San Francisco, Calif.	64.3	76.6	57.3	63.6	76.3	57.6	35.6	44.9	27.8	32.1	35.6	25.2	50.4	58.3	49.3
Santa Barbara, Calif.	69.4	81.1	52.3	56.9	73.1	39.5	—	—	—	—	—	—	68.5	80.1	61.3
Sioux City, Ia.	70.2	71.3	69.1	65.9	68.8	63.1	29.3	30.9	27.8	23.5	28.3	18.8	—	65.0	—
Springfield, Mass.	72.4	77.8	67.0	72.7	77.4	68.0	33.4	42.0	24.8	32.7	41.0	24.4	—	81.1	—
Toledo, Ohio	65.5	69.1	59.2	66.7	67.7	56.6	24.4	35.4	10.0	23.6	27.9	8.8	60.9	65.0	56.8
Washington, D. C.	58.0	62.2	57.3	53.5	62.1	45.0	10.1	16.3	3.7	22.7	27.6	17.8	—	—	—
Worcester, Mass.	62.7	65.2	60.3	68.0	69.3	66.8	—	300	—	—	—	—	54.4	58.8	50.0
Youngstown, Ohio	—	—	—	61.8	65.9	56.4	—	—	—	23.8	25.0	20.2	—	—	—
Vancouver, B. C.	83.2	88.3	78.1	82.3	87.1	77.5	36.1	36.1	36.1	25.2	25.6	24.8	—	67.0	—
Victoria, B. C.	78.0	80.1	76.0	81.6	84.1	79.2	47.1	48.8	45.4	33.4	35.1	31.7	—	—	—

\*1944 figures not received at press time.

ANY CREDIT EXECUTIVE examining the above figures will naturally conclude that collections today are much better than they were several years ago. Upon analyzing the reasons for this condition it will be found that these unusually high collection figures in some instances are the result of a decrease in credit sales along with the influence of Regulation W of the Federal Reserve Board, coupled with conditions attending the war. While this Regulation was designed to serve only as a temporary wartime measure, there are some who believe that it should be continued after the war or at least some of its features should remain in force permanently. At the Retail Credit Forum held in St. Louis, last June, a

resolution was passed requesting the N.R.C.A. to exert its best efforts to secure the termination of the Regulation or any other consumer credit regulation after the war. This means then that it is a controversial issue and the best retail credit minds of the country should get together to determine what is necessary to do the greatest good for the greatest number. We cannot help but feel that the 31st Annual Conference and Credit Sales Forum of the National Retail Credit Association to be held at the Hotel Schroeder in Milwaukee, May 16-18, will be the best place to iron out this all-important subject. Why not plan now to attend and present your views?

Arthur H. Hert.

THIRTY-FIVE KEY CITIES CONTRIBUTE THESE FIGURES MONTHLY

# MAP OF BUSINESS CONDITIONS

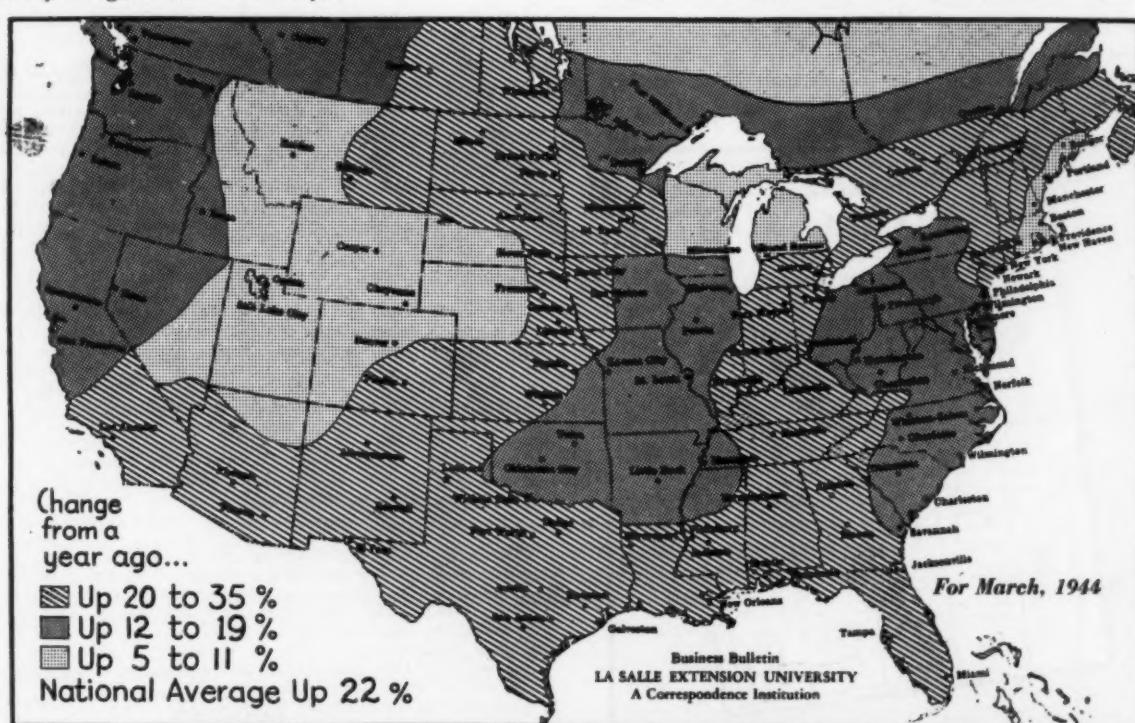
The trend in trade and industrial activity continues upward and last month the rate of increase was a little greater than in several preceding months. During recent weeks, the general average has been maintained at about 22 per cent higher than it was a year ago. Present indications point toward further expansion for the next few months, although the increase in business volume may not be quite so rapid.

The variations among different sections of the country are similar to those which were significant during the last part of 1943. Activity is still highest in the South and along some parts of both coasts. Most of the sections in which the increase now is about the same as the national average are those in which activity was quite a little above average last year. Except for conditions in a few places, business activity throughout the country is much more nearly uniform than it usually is. The variations among different industries have become more striking than those among different regions.

One significant change which has taken place recently was the sharp rise in business volume in the Northeastern part of the country. The relatively excellent current showing there is due partly to the fact that business in New England last year was held back by labor shortages and other adverse conditions. The current trend is upward and business there shows the best improvement over a year ago. The area around New York City is also one in which expansion over last year has been large.

In the industrial region around the Great Lakes, trade and industry have been quite well stabilized and the rate of expansion has slowed down somewhat. It is still much higher than last year, due largely to the large amount of war work which is concentrated there.

In the Pacific Coast states, shipbuilding and airplane manufacturing continue to be the two most important industries which are responsible for the excellent business conditions there. In Canada, the increase in the volume of business has been a little less than it has been in the United States. The difference is not great, however, and in all parts of the country activity is higher than it was last year.



## CREDIT FLASHES

### Most Useful Citizen Award

Lester W. Hink, John F. Hink & Son, Berkeley, California, for 20 years an outstanding civic leader, philanthropist and clubman, was recently named as 1943 recipient of the Benjamin Ide Wheeler Award. This is an honor bestowed biennially by the Berkeley Service Club Council upon a Berkeleyan who has been judged the city's most useful citizen.

### Back Issues of CREDIT WORLD Wanted

We have a request for copies of the June, 1927, and the September, 1928, issues of The CREDIT WORLD, which are now out of print, and we will greatly appreciate it if any member not having use for these particular issues will send them to the National Office.

### Detroit Resolution on Regulation W

The following resolution of the Detroit Postwar Planning Committee of the National Retail Credit Association was approved by the Retail Credit Association of Detroit, January 13, 1944, and the Retail Merchants Association (affiliated with Detroit Board of Commerce) on February 10, 1944:

In view of the reported passage of resolutions by some credit associations in other cities favoring continuance of Federal control of credit in the postwar era, this Association desires to go on record as favoring:

1. The removal of Regulation W and any other Federal restrictions on consumer credit, as soon as practicable after the cessation of hostilities; and
2. The appointment at that time of committees to draft sound credit policies covering both open and instalment accounts, for approval of the Retail Merchants Association, and observance by their members.

# Courtesy Card Authorization

C. C. Beebe, H. C. Henshey Co., Santa Monica, Calif.

THE PROCEDURE for using our Courtesy Card, shown below, is as follows: When a customer hands the card to the salesperson and asks to have the purchases charged, the clerk copies the name and address from the card, fills in the purchase, and asks the customer to sign the sales slip. While this is being done the clerk looks on the back of the card to determine if it has been validated for use in that particular month. She also determines if the customer's name and number are on her "lost card list." If the card is in good order, as soon as she has compared the signature on the card with that on the sales slip, she writes on the sales slip the identification number shown on the back of the card, and hands the customer her package and Courtesy Card.

If the card is not validated for that month, the clerk asks the customer if she would care to have it sent to the office for validation. Because of its small size it will fit in the Lamson carrier and may be sent direct from the sales department to the credit office. In the letter below, it will be noted that this is also the procedure suggested where a customer mails her payment to the office.

To avoid confusion in the customer's mind, we have refrained from using any specified date of the month in our validation procedure. When a customer pays a certain month's purchases, the card may be validated for use during the two following months.

Briefly, some of the advantages which this card has over others that have come to our attention is that we have placed the names of both husband and wife, as well as the address, on the card. This helps the clerk who sorts the sales slips and also the bookkeeper, as the names and addresses correspond with our ledgers. As a double check the identification number on the back of the card must tally with that on the ledger. This identification number is also a check on the clerk to prove that she actually had the customer's card at the time of the sale.

The card is so small and thin that it is easily placed in any billfold. The celluloid cover keeps the card clean and prevents wear and tear. This covering also prevents the validation from soiling the customer's hands or articles in her purse.

As a protection against fraudulent use of lost cards, whenever one is so reported to us we immediately notify each department in writing, giving the customer's name and card number. Each clerk then puts this information on her "lost card list" which is in the cover of her sales book. Should one show up, the clerk will refuse to honor it, and will send it to the office for which she gets a reward of \$1.00. The customer is not deprived of the use of this service, however, for a new card is issued to her bearing a new number.

As a means of giving this service to a greater number of customers, we have not limited its use to just the unquestionable few, but have placed an arbitrary limit of \$25.00 on any single purchase for which the card may be used. So far our customers have not taken advantage of the opportunity to overbuy.

The cost of putting these into use is very small, as they are printed only once a year and the validation stamps are good for the same length of time. By changing the color of the stamp pad, and by showing the year in the validation stamp, we help the salesperson to know for which year any particular month is validated. With approximately 10,000 of these cards in use at the present time, we are very pleased with the results and the comments of our customers.

## HERE IS YOUR HENSEHY COURTESY CARD!

### WHAT IT IS FOR—

To facilitate your shopping at Henshey's by saving you the time it takes to authorize each charge purchase you make. This card, when validated through the current month, permits our sales people to deliver your package to you at once rather than wait for the Credit Department authorization as was formerly necessary. You will also find the card useful as identification when cashing checks. Should you wish to authorize someone other than yourself to have unlimited use of your account, a duplicate will be issued upon your written request.

### HOW TO USE IT—

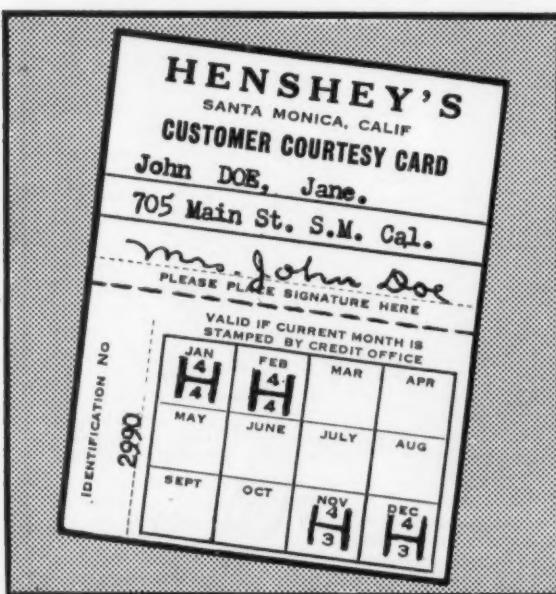
First, place your signature in the designated space. Then put the card in your billfold or purse so that you will have it with you when you go shopping. When making a purchase, simply say, "Charge it" and present your Courtesy Card. The sales clerk will copy the name, address, and card number and ask you to sign the sales ticket. If your card is currently valid, the clerk will hand you your package immediately without further delay. Please understand, however, that you are at liberty to use your account even though you might not have your card with you. In such case, authorization will have to be made in the Credit Office as formerly and delivery of your package held up until such is complete. Should your card become lost, please notify us at once.

### VALIDATION—

The card is now validated for use through the month indicated on the reverse side. Each month, as you pay your bill, the cashier will validate your card for the succeeding month. If you remit by mail, bring your card with you the next time you are in the store and ask any sales clerk to send it to the office for validation.

We sincerely hope that the issuance and use of this Courtesy Card will be of service to you.

HENSEHY'S



# Postwar Control of Prewar Debts

Nels E. Velander, Credit Manager, E. P. Boyer Lumber & Coal Co., Omaha, Neb.

**A**LONG WITH THE MANY national forums on postwar problems, one of the most important confronting the credit executive will be "How can we collect those accounts left unpaid by the men entering the military services of our country?" The postal authorities' records reveal that following World War I, only 10% of the men returning to civilian life actually returned to their former home towns! This one staggering fact alone should bring perspiration to the brow of every credit executive. Will not the same percentage of men, with their families, move to new climes in the hopes they can better their civilian lot in life, which really is the American way? How can this be controlled, what can we credit people do to protect our interests?

Of course, the Associated Retail Credit Bureaus throughout the country have always done a splendid job of supplying the kind of information needed to the credit man so that he can render a decision on a credit applicant. But following World War II, all of us will come in contact with new people from other parts of the country, and we will wonder—did they take care of their debts before leaving their former home town, including those accounts "frozen" when the man entered the military services?

This presents a staggering enigma that CAN and MUST be controlled. It can be controlled if every member of each and every Bureau will supply to his Bureau a list of names of all accounts such as described above, also subsequently recording the payment of those debts after the end of the war. If those debts are not liquidated, the credit man should know the facts when he has the application before him.

By the adoption of such a national Bureau policy, the credit executive will know whether or not the applicant has taken care of his obligations in his former home town. If the applicant has not, the record will be there to enable the credit man to render a decision. If the applicant has gone back to his home town, either paid off all debts or made satisfactory arrangements to pay those debts, the credit man will be pleased to know that he is dealing with a high type moral risk and can do a real credit management job in so informing the applicant, and that he is more than pleased to place his name on the accounts receivable ledger. The credit manager then steps out into the field as a first-class customer relations man, building good will between customer and store.

Through the adoption of such a national policy, not only will the credit executive have complete control of his accounts, but, on the one hand, he will know all about those who have either intentionally or unintentionally not paid prewar debts, and he will likewise know all about those individuals who have returned and satisfied all creditors. In this latter case, the credit executive has the opportunity of cementing the finest relations between the customer and his store—he has the opportunity to make himself more valuable to his company in the capacity of public relations man and turning "sales-

man" himself. But more important than all else, he will have as complete a control of his accounts receivable as is humanly possible!

Let's start now in an all-out effort to keep our Bureaus fully informed—advise them when accounts are paid—and in every other way complete the cycle to keep abreast of changing conditions and keep losses at a minimum. American manufacturers, distributors and retailers through their regular associations, or on their own cooperative initiative, are combining their knowledge and ideas on how to combat postwar problems, to preserve our individual American way of life and right of private business to continue with the least governmental control.

Credit executives must be quick to recognize management's problems and render every assistance and suggestion to stabilize the smooth continuance of privately owned business after the war. One sure way to give that assistance to interested stockholders is to know your customer—what were his paying habits before the war, what are they now? If the credit executive can answer that question he will have achieved much in serving his company to the utmost and continue to make his department one that has been, is today, and will be tomorrow indispensable to modern American business!



## ACCOUNTANTS' HANDBOOK

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# CREDIT FLASHES

## Cleveland's 46th Annual Meeting



Frederick W. Walter, The Bailey Company, Cleveland, Ohio, who is President of the Cleveland Retail Credit Men's Company, is shown on the right above with General Manager-Treasurer Crowder looking over the program of the 46th annual meeting of the Cleveland Association held February 2. The program was made up of business, entertainment and dancing, and there was an attendance of approximately 600 people.

### H. H. Christensen in New Position

H. H. Christensen, former Assistant Vice-President of the American Trust Company, San Francisco, is now Vice-President of the Citizens National Trust and Savings Bank, Los Angeles, California.

## Coming District Meetings

District One (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Quebec, Canada and Nova Scotia) will meet June 7, 8, and 9, at New Ocean House, Swampscott, Massachusetts.

District Ten (Alaska, Idaho, Montana, Oregon, Washington, Alberta, British Columbia, and Saskatchewan, Canada) will hold its annual meeting April 15, 16, 17 and 18 at Portland, Oregon. This is the Pacific Northwest District Conference and is being held one month earlier than usual because of the National Convention which will be held in May instead of June, 1944.

Districts Five and Thirteen (Kentucky, Michigan, Ohio, Ontario, Canada, Illinois, Indiana, and Wisconsin, except Superior) are combining their 1944 conference with the National Convention to be held in Milwaukee, May 16-18, 1944.

### Notice

Since going to press with this issue of **The CREDIT WORLD**, Resolutions No. 1 and No. 3—C and D, which appear on page 27, have been approved by the Federal Reserve Board and have been amended to Regulation W accordingly.

### Help Wanted

MANAGER OF CREDIT BUREAU (with Collection Department) in midwestern city of 30,000. State qualifications, etc., in first letter. Address reply to Box 441, **CREDIT WORLD**.



• Seated from left to right around the table in the picture above are newly elected officers and directors of the Wichita Retail Credit Association: C. E. Waggoner, Manager, Reporting Department; J. G. McBride, Innes Co., director; Dr. G. E. Tilson, director; Walter Anderson, Southwestern Electric Co., First Vice-President; Lloyd Ferrell, Southwest National Bank, director; Royce Sehnert, Wichita Eagle, President; Wayne Pendegast, Chas. P. Mueller Floral Co., director; Jay C. Callaway, Woolf Brothers Clo. Co., Secretary-Treasurer; Jerry Simpson, Jerry Simpson Insurance Co., Second Vice-President; and G. E. Mohrbacher, Manager, Collection Department.

## Recent Elections

### District Seven at Kansas City

The Seventh District Annual Conference was held at Kansas City, Missouri, February 15 and 16. At this meeting the following officers and directors were elected: President, E. F. Callaway, Pfeifer Bros., Little Rock, Ark.; First Vice-President, Ben Leyerle, Oklahoma Gas & Elec. Co., Oklahoma City, Okla.; Second Vice-President, W. G. Cassmeyer, Merchants Ice & Coal Co., St. Louis, Mo.; and Secretary-Treasurer, Mrs. Frances Smith, Hunt Dry Goods Co., Fort Smith, Ark. Directors: Royce Sehnert, Wichita Eagle, Wichita, Kan.; Sam Fogel, Woolf Bros., Kansas City, Mo.; Richard Sims, Healy & Roth, Little Rock, Ark.; and Ben K. Bilbrey, Motor Exchange Company, Tulsa, Okla.

### District Six at Omaha

Ross Carrell, Central Billing, Des Moines, Iowa, was elected President of District Six at the annual conference held at Omaha, February 20, 21 and 22. Others elected were: Vice-President, Hamilton H. Morse, Armstrong Clothing Co., Cedar Rapids, Ia.; Secretary-Treasurer, C. R. Stowell, T. S. Martin Co., Sioux City, Ia.; National Director, Dean Ashby, M. L. Parker Co., Davenport, Ia.; and Alternate National Director, Henry Hoklas, Young-Quinlan Co., Minneapolis, Minn. Directors: Gilbert N. Abbott, Hudson's Bay Co., Winnipeg, Manitoba, Canada; Charles Lampland, Lampland Lumber Co., St. Paul, Minn.; Fred Cox, Gold & Co., Lincoln, Neb.; Dorothy Yergan, Baylee Jewelry Co., Duluth, Minn.; Esther Ernst, The National Co., Omaha, Neb.; Harry Wrenn, Nebraska Clothing Co., Omaha, Neb.; and Eleanor Wilson, Anderson Furn. Co., Duluth, Minn.

### Galveston, Texas

The Galveston Credit Grantors Association elected the following officers and directors for 1944: President, August Matzke, Leopold-Shafer & Co.; Vice-President, Herbert Garon, Kauffman-Meyers & Co.; and Secretary-Treasurer, Wm. J. Sadler, Galveston Merchants Association. Directors: Henry Schreiner, Robt. I. Cohen Inc.; Roy Kierbow, Plantowsky's Furn. Co.; Mrs. Julia Mercer, E. S. Levy & Co.; and Mike Goldstucker, Michael Jewelry Co.

### New York, New York

President, Louis H. Jacobs, Ovington's; Vice-President, John M. Hilgert, Lord & Taylor; and Secretary, A. B. Buckeridge, Credit Bureau of Greater New York Inc. Directors: James M. Malloy, Abraham & Straus; Howard B. Jackson, Morris Plan Industrial Bank; Fred W. Dornhoefer, Franklin Simon & Co.; H. C. Squires, Bloomingdale Bros.; A. J. Kramer, Borden's Farm Products Co.; Albert S. Kleckner, Namm's; and John H. Rudd, Jr., Hotel Pennsylvania. These directors who have another year to serve complete the Board of 15 members: Rudolph M. Severa, R. H. Macy & Co.; N. William Bramley, Brooks Bros.; Morton B. Doremus, Rogers Peet Co.; J. E. Field, Davega-City Radio; George Miller, Arnold Constable & Co.



# BAROMETER OF RETAIL BUSINESS

**Sales and Collection Trends**

Compiled by Research Division, National  
Retail Credit Association

ARTHUR H. HERT, Research Director

### February, 1944 vs. February, 1943

CREDIT SALES decreased 5.1 per cent during February; total sales increased 3.5 per cent; and collections increased .2 per cent, in 36 cities reporting in the United States and Canada, as compared with February, 1943. Except for war bond buying and income tax payments, merchants could not account for the unusually slow sales.

Highlights of the monthly analysis are shown in the tables below:

#### Highlights for February

36 Cities reporting.

9,671 Retail stores represented.

#### COLLECTIONS

18 Cities reported increases.

.2% Was the average increase for all cities.

14.0% Was the greatest increase (Whittier, Calif.).

3 Cities reported no change.

15 Cities reported a decrease.

19.3% Was the greatest decrease (San Antonio, Texas).

#### CREDIT SALES

32 Cities reported decreases.

5.1% Was the average decrease for all cities.

18.0% Was the greatest decrease (Whittier, Calif.).

4 Cities reported an increase.

7.0% Was the greatest increase (Ada, Okla.).

#### TOTAL SALES

28 Cities reported increases.

3.5% Was the average increase for all cities.

18.6% Was the greatest increase (Houston, Texas).

2 Cities reported no change.

6 Cities reported a decrease.

15.0% Was the greatest decrease (Youngstown, Ohio).

# Credit Careers

## Giles C. Driver

GILES C. DRIVER, former president of the National Association, has been Credit Manager of The May Company, Cleveland, Ohio, for the past twenty-five years.



In celebration of this worthy event, he was inducted into the Quarter Century Club of The May Company, and was tendered a testimonial dinner by his associates of that company on February 9. A wrist watch from his office associates, and a framed tribute signed by 130 store co-workers—these were just a few of the many surprises he received on the occasion.

"Giles," as he is known to most of his friends, is a native of Georgia and for a time was employed by the Southern Railroad. He went North as a young man and settled in New York City where he held positions with banking and wholesale houses. Then he decided on the retail field and held executive positions at John Wanamaker's in New York and at Mandel's, Chicago.

He vividly recalls his first day at The May Company—February 1, 1919. On that day, Mr. S. M. Gross took him on what seemed like a "thirty-mile jaunt" through the store. A chance to witness the opening of the February Furniture Sale was part of his experience on that day.

Mr. Driver has been a director of the Cleveland Retail Credit Men's Company since 1920, and that same year was elected president of that organization. In 1935 he was named to the presidency of the National Retail Credit Association, and in 1939 was elected to the chairmanship of the Credit Management Division of the N.R.D.G.A.

He is a staunch supporter of good credit ethics and realizes the importance of grasping every opportunity to develop and further the high principles set up by our National Retail Credit Association.

We congratulate Mr. Driver on his splendid record of accomplishment and wholeheartedly wish him many, many more successful years in the field of his chosen profession.

*Reading this magazine carefully and regularly will contribute to your success as a Credit Executive*

## "Regulation W"

(Beginning on page 3)

he turns completely around and apparently for individual profit sacrifices the great principle which he claims to serve. All through his article Mr. Breuner begs for the right of the "ethical retailer" to make profits without the interference of the banks which have recently come into his field; the smaller merchant with little capital whom the banks have financed. He even pulls out the well known floor-plan type of selling which manufacturers introduced in the past decade and he blames this on the lack of Regulation W. Floor-plan selling has no connection with instalment financing of sales. The fundamental principle of the floor-plan remains even if all sales are for cash. But even if floor-plan selling is disadvantageous to all of us established retailers, is the solution a federal law restricting the credit of the customer? Has the customer any considerable stake in the question of bank competition with retail stores?

Understand me, I am an established retailer, I worry about these problems which concern Mr. Breuner, but I cannot with good conscience call them adequate reason for taking away a right of contract from the people. Incidentally Mr. Breuner may overlook his and his family's ultimate involvement in this sacrifice. He and they may never use instalment credit. But if the Federal Government, once admitted into this field of regulation, should carry it just a little further than at present, the general power to regulate a contract for the sale of merchandise could cut into any contract by which Mr. Breuner either acquires or disposes of real estate or any other asset. He and I believe as Americans we can transfer property, wealth, savings, investments pretty much at will. Merchandise isn't something entirely different, is it?

### Opportunities of a New Day

The worst position which retailers can take after the war is to attempt by law to freeze their advantageous prewar position in the economy. I will fight as long as anyone to maintain my own position in the community by wit and managerial ability but beyond this I cannot go. I cannot ask the Government to guarantee my future by ruling out my competition. There are a good many stores in all parts of the country, and I presume Mr. Breuner's is one of them, which in the face of all competition have been able to make a profit though not as much as they would have liked. They have been able to set their own sales policies and adhere to them. Perhaps the return on invested capital was not as great as it should have been; but possibly we face an era in which the return on capital is not viewed as seriously as it was 25 years ago. Perhaps a retailer's salary will not be as high in the next decade or generation. This may sound like heresy but it is long-view economics—I think—to say that when the profit isn't equal to our requirements we are all still free Americans and have the right to choose some other vocation.

*We give up freedoms willingly for the public safety and health but let us beware of prosperity bought at such a price.*

# Legislative Committee Recommendations

## Resolution No. 1

WHEREAS, the Retail Credit Association of Baltimore has heretofore requested the Federal Reserve Board to amend Regulation W so as to provide that any debt of a person discharged from the armed forces of the United States, evidencing a balance on indebtedness incurred before induction, may be the subject of any negotiation or agreement between debtor and creditor without any prejudice otherwise created by any provisions of Regulation W; and

WHEREAS, in the opinion of the Legislative Committee of the National Retail Credit Association, meeting in annual session at the Hotel Statler in the City of Washington, February 16 and 17, 1944, this request of the Retail Credit Association of Baltimore will further our national economy in the matter of credit rehabilitation to ex-servicemen and women; and

NOW, THEREFORE, the said request of the Retail Credit Association of Baltimore, is endorsed and supported by the Legislative Committee of the National Retail Credit Association, and the Board of Governors of the Federal Reserve System is respectfully requested to amend Regulation W in line with said recommendation and for the purpose set forth in their communication on this subject to the Board.

## Resolution No. 2

WHEREAS, the National Retail Credit Association through resolutions adopted at the New Orleans Convention of 1942 and in other ways and at other times, has pledged its support to complete cooperation with the Board of Governors of the Federal Reserve System in its administration of Regulation W as a part of the program to combat inflation; but,

WHEREAS, changed conditions may indicate the necessity for modification in specific provisions of Regulation W, particularly including the necessity of encouraging owners of government bonds to hold the same to tide over periods of stress or adversity; and

NOW, THEREFORE, the Legislative Committee of the National Retail Credit Association, meeting as aforesaid, requests the Board of Governors to consider seriously the advisability of making a study as a basis for reducing down payments and lengthening installment terms.

## Resolution No. 3

WHEREAS, the National Retail Credit Association has given careful attention to various provisions of Regulation W in the interest of a sound economy and with the objective of promoting as far as possible best business practices;

NOW, THEREFORE, be it resolved by the Legislative Committee of the National Retail Credit Association, meeting as aforesaid, that the Board of Governors

of the Federal Reserve System be requested to consider amending Regulation W in the following respects:

(a) That charge purchases made on the last three business days of any month may at the option of the seller be treated as a sale made on the first day of the following month.

(b) That the Board of Governors of the Federal Reserve System be urged to revise Regulation W so as to treat as a charge sale any extension of credit which is to be repaid not later than the tenth day of the second calendar month following such extension of credit, regardless of whether it is to be repaid in a lump sum or in two or more payments.

(c) That the Legislative Committee of the National Retail Credit Association requests the Federal Reserve Board to amend provisions to Regulation W so as to provide that freezing of charge accounts will not be required where the balance is less than ten dollars.

(d) That the Legislative Committee of the National Retail Credit Association requests the Board of Governors of the Federal Reserve System to so amend its regulations as to provide that Regulation W shall not apply to installment purchases in amounts of less than ten dollars.

## Resolution No. 4

And be it further resolved that copies of these resolutions be transmitted to the Board of Governors of the Federal Reserve System and published in *The CREDIT WORLD*.

Erwin Kant, *Chairman*  
Legislative Committee

Joseph A. White, *President*  
National Retail Credit Association

L. S. Crowder, *General Manager-Treasurer*  
National Retail Credit Association

# BINDERS

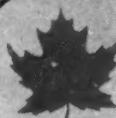
for *The Credit World*

PAMPHLET type with stiff blue fabricoid covered sides and the words "Credit World" lettered in gold. Holds 12 issues. There is an individual wire for each issue, easily inserted. Every member should have a binder for each volume. Price, \$1.75, postpaid. \* \* \* \* \*

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NATIONAL RETAIL CREDIT ASSOCIATION  
Shell Building

St. Louis, Missouri



# Granting Credit in Canada

J. H. SUYDAM . . . Canadian Correspondent



## Associated Credit Bureaus of Canada

THE ASSOCIATED CREDIT BUREAUS of Canada came into being through the foresight and activity of E. L. Silver of Windsor, W. G. Murdoch of Montreal, D. R. Wright of London, Herbert Mason of Stratford and two or three other Ontario bureau managers who have since passed out of the picture, and who in 1927 formed the Associated Credit Bureaus of Ontario and Quebec.

With the view of increasing its scope, the name was changed to the Associated Credit Bureaus of Canada in 1937 and a Dominion Charter obtained. In 1939 a number of western bureaus became interested and during the early part of 1942 the addition of several more bureaus in the Maritimes brought the membership up to fifty-eight. This afforded reporting facilities from coast to coast and it can be truly said that it "Covers Canada Completely." Among its earlier officers and directors, in addition to the foregoing, were F. A. Matatall, of Ottawa; W. Walker, of Fort William; J. E. Shapland of Hamilton and P. L. Laporte of Timmins.

The operation of the Canadian Association is not in contradiction to that of the Associated Credit Bureaus of America, to which practically all the bureaus belong. We in Canada have distinct problems of our own and which, like those of the Associated Credit Bureaus of New England and other similar associations in the United States, can best be solved by a smaller and more compact organization. Considerable credit and appreciation are given to the National Retail Credit Association and especially to Mr. L. S. Crowder, for the cooperation which has been extended over the years.

The Association's activities are both educational and business-promotional, the former with the view of rendering the best service possible to the consumer credit granters of Canada and the latter to afford a medium to obtain reporting business of a national character that ordinarily would not be available to individual bureaus which could not guarantee a uniform service throughout the country.

The educational features comprise annual meetings of the bureau managers which are held alternately in the east and west, in order that the smaller bureaus especially may be represented at least every other year, at a minimum of expense. Three thousand, seven hundred and seventy miles would be quite a trip for Harry Dawson, Manager of the bureau in Victoria, B. C., to make in order to attend a meeting in Halifax, Nova Scotia. Regional meetings, both east and west, are also held and through the discussion of problems and the exchange of ideas, considerable has been accomplished in the improvement of services.

The problems which must be solved by the credit bureaus of the United States and Canada pertain to both the present and the future, and in meeting them, the co-

operation of not only the bureau managers but their members, is necessary. In Canada, the membership of the fifty-eight bureaus comprises approximately twelve thousand merchants, finance companies, banks, and other grantors of consumer credit.

To some lines of business, the war has given great impetus and to others, the reverse. The credit bureaus are in the latter category as the various consumer credit orders, the shortage of many lines usually sold on the instalment plan and the change from credit to cash buying, have affected their revenue adversely. The problems of maintaining their records and rendering service must be solved, as it is necessary that they be prepared to render proper service when the war is over and consumer credit is again in general use, probably to a greater extent than ever before.

The necessity to keep the credit bureau structure functioning properly should be appreciated by all engaged in consumer credit and the cooperation of members in making use of their facilities in every way possible should not be overlooked. The expense of building a new structure when the war is over will be many times greater than what is now required to keep the present structure in a reasonably sound state of "repair."

In order to promote business of a National character and simplify its operation, requisition coupons were designed and made available to users. The system provides whereby a company whose head office is in Toronto, for example, can furnish its branch in Vancouver with the requisitions. When completed with the usual identifying information on a subject from whom an order has been obtained, the requisition is handed to the Vancouver bureau, which prepares the report and forwards it to the head office in Toronto, where the credit is passed and it arrives practically at the same time as the order.

A coupon, forming part of the requisition, calls for the full price of the report and is redeemable at the head office of the Association less a surcharge of 5¢, which accrues to the Association, along with similar coupons from any National user. One statement is then rendered each month to the National user, supported by the coupons which are all numbered, for the reports completed by the various bureaus.

There are now ten companies doing either a National or Provincial-wide business making use of this system, and while the war has considerably curtailed the field for this type of reporting, it is hoped that when hostilities cease, there will be a large volume available.

Considerable credit and appreciation are due to Mr. H. J. Craddock, President of Aluminum Goods, Ltd., and our first National user, for the cooperation extended by him in the formative days of the plan and which have played a very vital part in its success.

Other activities of the Association are the standardization of reports and other types of forms, centralized buying and the distribution of sales promotion ideas. Standardization of collection department routine has also been considerably advanced through the system made available to all bureaus by Mr. F. A. Matatall, Manager of the Credit Bureau in Ottawa.

The Association also publishes *Credit In Canada*, an eight-page leaflet devoted to credit and collection problems and other material of a general nature which is felt would be of interest. It is distributed by and at the expense of the various bureaus and has a circulation of five thousand. The leaflet is now in its fifth year of publication and its rather tender age leaves considerable room for improvement and growth.

The present officers and directors are Mr. F. E. Womersley, Manager of the Credit Clearing Bureau, Winnipeg, President; Mr. E. L. Silver, Manager of the Windsor Credit Bureau, Ltd., Windsor, Immediate Past President; Mr. J. E. Shapland, Manager of the Hamilton Credit Bureau, Hamilton, Vice-President; Mr. J. H. Suydam, Manager of the Toronto Credit Bureau, Toronto, Secretary-Treasurer; Mr. Thomas Downie, Manager of the Retail Credit Grantors' Bureau, Limited, Vancouver, Mr. F. A. Matatall, Manager of the Ottawa Credit Exchange, Ltd., Ottawa, Mr. H. O. Schultz, Manager of the Calgary Retail Credit Grantors' Bureau, Calgary and Mr. H. E. Wickham, Manager St. Catharines Credit Bureau, St. Catharines, Directors.

## CREDIT FLASHES

### Seventh District, C. W. B. C. Election

The Credit Women's Breakfast Club of District Seven elected Miss Essie January, Stix Baer & Fuller Co., St. Louis, Mo., President, at their annual meeting in Kansas City, February 15 and 16. Other officers and directors elected for the year 1944 are: Vice-President, Miss Mary Wall, Crosby Bros., Topeka, Kan.; Secretary, Mrs. Leah Neal, Morris Plan Co., Oklahoma City, Okla.; Treasurer, Miss Edna Short, King's Clothing Co.; and Corresponding Secretary, Miss Helen Weiss, Associated Retail Credit Men & Credit Bureau, St. Louis. Directors: Mrs. Vi Scott, Rothschild's, Kansas City, Mo.; Mrs. Marjorie Williams, Grangers Store, Emporia, Kan.; Miss Josephine Purdin, Lain-Eastland-Lamb Clinic, Oklahoma City, Okla.; and Miss Beatrice Hodnett, Dr. H. Fay H. Jones, Little Rock, Ark.

### Death of Leopold Sondheim

Mr. Leopold Sondheim, who for years was connected with Rosenbaum Company, Pittsburgh, died February 13. He was a past president of the Retail Credit Association of Pittsburgh, and an officer, director and employee of the Credit Bureau Inc.

*Added Protection - -*

## GUARANTEE AND WAIVER FORM

GUARANTEE and WAIVER	
I, _____	(Name of Guarantor)
extension of credit by _____	(Seller)
to _____	(Name and Address of Buyer)
in the sum of \$_____	for the purchase of _____
(Description of Merchandise)	
as evidenced by a contract in writing dated _____	
do hereby guarantee to the said _____	(Seller)
all and any payments under the said contract, and I do hereby waive notice of default and all rights and benefits to which I may be entitled under subsections 1 and 2 <sup>d</sup> of Section 103 of the Act of Congress of October 17, 1940, being Public Law No. 861, 76th Congress, as amended by Section 2 of the Act of Congress of October 17, 1942, being Public Law No. 732, 77th Congress, this Guarantee and Waiver to be binding on my heirs, executors, administrators and assigns.	
Signed this _____ day of _____	19_____, in the city of _____ state of _____
Signature _____	
Witness _____	Address _____
Address _____	City _____

\*Printed on other side of this form.

**G**UARANTORS ARE ENTITLED to the benefits of the Soldiers' and Sailors' Civil Relief Act . . . but, under the Amendments Act of October 6, 1942, they can now waive their rights to these benefits, if the waiver is in writing.

Protect your firm by using this new National Approved Form when you extend instalment credit on a guarantee basis. It is a waiver and guarantee form combined, and complies with all the requirements.

For best results, should be used in duplicate and copy handed to guarantor. Blocked in pads of 100. Actual size, 4" x 6".

**Prices: 500, \$1.25; 1,000, \$2.00**

**Play Safe—Rush Your Order Today!**

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# ★ Standard Application Form

★ HE sale of over two hundred thousand during the past year is conclusive testimony of the popularity of this form. Increase the efficiency of your department by ordering a supply immediately!

The actual size of the form (reproduced below) is 7 inches by 9½ inches. Printed in one color. Blocked in pads of 100. Prices: 100, \$0.75; 500, \$2.50; 1,000, \$4.25. All prices include postage. Printed and stocked in Canada.

## NATIONAL RETAIL CREDIT ASSOCIATION

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Complete in every detail . . . spaces for all needed information

... designed with the approval of our members

**APPLICATION FOR CREDIT  
WITH**

FORM ADOPTED BY AND FOR MEMBERS OF THE  
**NATIONAL RETAIL CREDIT ASSOCIATION**

**LAWSON & FISHER  
SAFETY TRUST**

NUMBER \_\_\_\_\_ DATE \_\_\_\_\_

FULL NAME (SURNAMES FIRST) \_\_\_\_\_ ADD. SURNAMES, HUSBAND - WIFE'S Maiden NAME \_\_\_\_\_

RESIDENCE \_\_\_\_\_ GROW LOGO \_\_\_\_\_

PAST ADDRESS \_\_\_\_\_ GROW LOGO \_\_\_\_\_

BUSINESS OR OCCUPATION \_\_\_\_\_ AT WHICH EMPLOYED \_\_\_\_\_ GROW LOGO \_\_\_\_\_

PAST BUSINESS OR OCCUPATION \_\_\_\_\_ AT WHICH EMPLOYED \_\_\_\_\_ GROW LOGO \_\_\_\_\_

CAPACITY \_\_\_\_\_

WIFE OR HUSBAND EMPLOYED? MORTGAGED TO \_\_\_\_\_ AMOUNT \_\_\_\_\_

OWN REAL ESTATE LOCATED AT \_\_\_\_\_ QUOTE \_\_\_\_\_

MONTLY RENTAL \_\_\_\_\_ AT HOME \_\_\_\_\_ EMPLOYED \_\_\_\_\_

BEST  P.M. APARTMENT?  URGENT, APARTMENT?  RESIDENCE? ADDRESS \_\_\_\_\_

NAME OF RELATIVE (OTHER THAN HUSBAND OR WIFE) \_\_\_\_\_

(NAME OF BANK) \_\_\_\_\_ BRANCH \_\_\_\_\_

BANK  CHECKING  SAVINGS NAME OF INSURANCE CO. APPROX. INCOME \_\_\_\_\_ PER \_\_\_\_\_

LIFE INSURANCE \_\_\_\_\_

TRADE REFERENCES

TYPE OF TRADE	ACCOUNT IS NOW
OPEN	PAID - DATE

LIST ON REVERSE SIDE OF THIS APPLICATION ANY UNPAID BALANCES ON INSTALLMENT ACCOUNTS AND MONTHLY PAYMENTS THEREON.

PERSONAL REFERENCES

THE ABOVE INFORMATION IS FOR THE PURPOSE OF OBTAINING CREDIT, AND IS WARRANTED TO BE TRUE. I AGREE TO PAY ALL BILLS BY THE 10TH OF THE MONTH FOLLOWING PURCHASE OR AS OTHERWISE EXPRESSLY AGREED.

SPECIAL TERMS IF ANY

SIGNATURE \_\_\_\_\_

AMOUNT CREDIT APPROVED \_\_\_\_\_

PAINTED IN THE U.S.A. Form NAI

## ● Convention Plans . . .

(Beginning on page 14) ●

"*Operating Economies.*"—F. L. Moore, Wieboldt's, Chicago, Ill.  
Open Forum

### Men's Wear, Women's Wear and Shoes

Group Chairman  
Mrs. Myrtle Feiner, Bitker-Gerner Co., Milwaukee.

Tuesday, May 16.

"*Shall There Be Postwar Credit Control?*"—(Speaker to be selected.)

"*What Changes in Regulation W Do We Need Now?*"—Wm. H. Springer, Credit Manager, Russeks, Chicago, Ill.

Open Forum

Wednesday, May 17.

"*Relationship of Market Conditions to Credit Policies.*"—(Speaker to be selected.)

"*War-Plant Incomes Will End.*"—Harry Bromfield, Credit Manager, Henry C. Lytton & Son, Chicago, Ill.

Open Forum

Thursday, May 18.

"*Credit Plans for the Postwar Era.*"—H. R. Amos, Credit Manager, Magee's, Lincoln, Neb.

"*Returning Ten Million Soldiers and Sailors to Civilian Clothes.*"—(Speaker to be selected.)

Open Forum

### Dairy and Bakery

Group Chairman  
E. F. Overstreet, Ewing-Von Allenmen Dairy Co., Louisville, Ky.

Co-Chairman, S. R. Naille, Springfield Purity Dairy, Springfield, Ohio.

Tuesday, May 16.

"*A Credit Manager's View of Wartime Personnel and Public Relations Problems.*"—S. R. Naille, Credit Manager, Springfield Purity Dairy, Springfield, Ohio.

"*Holding Customers in the Postwar Transition Period.*"—(Speaker to be selected.)

Open Forum

Wednesday, May 17.

"*One Person's Opinion of Trends.*"—Carson L. Bard, General Manager, The Credit Rating Company, Louisville, Ky.

"*Will the Credit Department Help Build Tomorrow's Business?*"—Edwin H. Porter, Credit Manager, Omar Baking Co., Milwaukee.

Open Forum

Thursday, May 18.

"*Plan of Opening Accounts and Determining Terms.*"—R. H. Laethem, Credit Manager, Borden's Farm Products, Detroit, Mich.

"*Collections.*"—L. B. Skinner, Credit Manager, Wm. H. Roberts & Sons, Indianapolis, Ind.

Open Forum

### Jewelry

Group Chairman  
Alexander S. Kerby, The Hardy & Hayes Co., Pittsburgh, Pa.

(Program incomplete)

### Petroleum

Group Chairman  
Edw. G. Losse, Wadhams, Milwaukee.  
Co-Chairman, H. M. McDonald, Cities Service Co., Kansas City, Mo.

(Program incomplete)

### Hotel

(Program incomplete)

### Newspapers and Publishers

Group Chairman  
Roderick E. Langton, Salt Lake Tribune & Telegram, Salt Lake City, Utah.  
Co-Chairman, S. M. Butler, Schenectady Union-Star, Schenectady, N. Y.

(Program incomplete)

### REGISTRATION

Registration Fees:—Delegates \$10.00. Wives, families and guests \$5.00.

Name of Individual \_\_\_\_\_

Date of Arrival \_\_\_\_\_

Name of Firm \_\_\_\_\_

City and State \_\_\_\_\_

Will attend sessions of \_\_\_\_\_ Group \_\_\_\_\_

A.M. \_\_\_\_\_ P.M. By Train  Plane   
Auto  Bus

Will Wife Attend? Yes  No  Her Name \_\_\_\_\_

Check Enclosed  for \$10.00 registrations \$ \_\_\_\_\_ Total \$ \_\_\_\_\_

Mail Statement  for 5.00 registrations \$ \_\_\_\_\_ Total \$ \_\_\_\_\_

Send Hotel Rates  Grand Total \$ \_\_\_\_\_

Mail to \_\_\_\_\_

R. J. Shroeder, Wright Dental Supply Co., Milwaukee.



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# MILWAUKEE

## *Expects You*

THE 31st ANNUAL CONFERENCE and Credit Sales Forum—second wartime meeting—will convene Tuesday morning, May 16, at the Schroeder Hotel, Milwaukee.

It will attract credit granters and credit executives who are interested in the discussion of present-day problems, as well as those with which they will be confronted after Victory.

The program, including meetings of the respective groups each afternoon, is built around postwar plans. It is now complete and is one of the strongest it has been our pleasure to present. Reference to the general program, which appears elsewhere in this issue, will assure you that we have not only arranged interesting sessions but have provided outstanding speakers—leaders in their respective fields.

While we have omitted the Monday afternoon session, in an effort to lighten the week-end travel and hotel congestion, you will receive, in the three days, a wealth of information.

You and the firm you represent cannot afford to overlook this opportunity to obtain the views of leaders in industry. In addition, the contacts and interchange of ideas with fellow credit granters will prove of inestimable benefit in the days ahead.

**If you have not done so, send in your reservation now.**



L. S. CROWDER  
General Manager-Treasurer.

